The Nova Scotia Annual Gaming Report 1999 - 2000

Alcohol and Gaming Authority

Annual Gaming Report

101-05504/

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NOVA SCOTIA
Alcohol and Gaming Authority

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Introduction

Honourable David Morse,
Minister Responsible for the Administration
Part II of the *Gaming Control Act*,
Province of Nova Scotia.

Dear Minister,

I am pleased to submit the 1999/2000 Annual Gaming Report of the Alcohol and Gaming Authority as required under Section 56 of *Part II* of the *Gaming Control Act*.

This year's report provides a five year financial comparison of gaming for the years 1995/1996 to 1999/2000 and its contribution to the Province, as well as the reporting of the fiscal year 1999/2000* total wager and the disbursement of that wager. The five year review provides an insight into the trend of the gaming industry in Nova Scotia since 1995/1996.

The 1999/2000 Annual Gaming Report also covers the activities of the Alcohol and Gaming Authority relative to the gaming industry and explains its working mandate received from the *Gaming Control Act* - 'to regulate and control casinos and other lottery schemes; and to administer this part in the public interest and in accordance with the principles of honesty and integrity.'

Dennis W. Kerr
Executive Director

*April 1/1999 - March 31/2000

The Alcohol and Gaming Authority

Nova Scotians wagered in excess of one billion dollars this year in licensed gaming activities. Each of these wagers, whether in the form of table games, slots, bingos, or lotteries, represents the purchase of a chance to win by the consuming public. The nature of gaming products is such that the general public cannot ensure that the chance they have purchased is legitimate and has not been tampered with. More specifically, the general public cannot be certain as to whether prizes are paid at the rate and amount stated, that the selection of winners is unbiased, and that the game is not partial or potentially subject to manipulation. This is a unique feature of gaming products in that the public makes their purchase on the basis of trust in the gaming operator and the regulatory system, with little ability to determine if their purchase was in fact legitimate.

The large amounts of money involved in gaming, combined with the nature of the product, can serve as an attraction to the dishonest or criminal element to participate in the delivery of gaming at a variety of levels. The role of the Alcohol and Gaming Authority (the Authority) is to ensure that all games conducted in Nova Scotia offer the consuming public a fair and impartial chance at winning prizes offered, thus protecting the public and safeguarding the ability of charities to utilize gaming as a fund raising mechanism. Ensuring the honesty and integrity of gaming is a prime component of this role.

The Alcohol and Gaming Authority has a further responsibility to ensure that gaming is conducted in a socially responsible manner. As such, the Authority seeks to minimize any impacts of problem gambling, and to ensure that gaming does not contribute to criminal activities or social distress.

Mandate

The Alcohol and Gaming Authority is the regulatory body charged with administering *Part II* of the *Gaming Control Act*. In broad terms, the Authority has the responsibility for licensing and regulating the conduct of casinos, bingos, lotteries and other games of chance (other than those contained on First Nations' lands), safeguarding the honesty and integrity of the games and ensuring that these games are carried out in the best social and economic interests of Nova Scotians.

Pursuant to the provisions of the Gaming Control Act, the Alcohol and Gaming Authority is charged with the responsibility to study and report on an annual basis on certain aspects of gaming in Nova Scotia. The Alcohol and Gaming Authority continues to do this on an ongoing basis, maintaining the professional and technical skills necessary to adequately monitor the complex and continuously evolving gaming industry.

Workforce

With its head office located in Dartmouth, and a regional office in Sydney, the Alcohol and Gaming Authority maintains a presence throughout the Province. In addition, a contingent of RCMP officers are under contract with the Authority to conduct security clearances of suppliers, employees, and operators involved in the gaming industry in Nova Scotia, as well as cheat at play investigations in the casinos.

Registration and Licensing

Registration

To ensure honesty and integrity in all aspects of gaming, casino suppliers, the casino operator and its employees, employees of the Alcohol and Gaming Authority, and the Nova Scotia Gaming Corporation (the Gaming Corporation) are subject to a security clearance process. Different levels of security clearances are applied, depending on one's position in an organization or the type of service one provides (i.e., suppliers of actual gambling equipment are held to a higher degree of scrutiny than the suppliers of non-gaming related products such as restaurant equipment).

In 1999/2000, the Authority issued casino registrations to 18 gaming and 55 non-gaming suppliers. Another 124 non-gaming suppliers, whose goods and services did not exceed $100,000 over a twelve month period, were exempted from registration. In addition, 1121 casino employees were registered/security cleared as gaming assistants and authorized to access the casino gaming floor.

Licensing

The Alcohol and Gaming Authority has the responsibility to issue gaming licenses to organizations which endeavour to raise funds for charitable purposes. The Alcohol and Gaming Authority issues bingo licenses, ticket lottery licenses (for ticket lotteries with prizes over $500), ticket lottery permits (for ticket lotteries with a prize valued at less than $500), and games of chance licenses. Licensing is performed in accordance with the provisions of the applicable regulations and policy as established by the Alcohol and Gaming Authority.

Series bingo and ticket lottery licenses are issued to organizations wishing to carry on a series of regular events. Single licenses are issued for individual events. Games of chance events include commercial carnivals, fun-night Monte Carlo events, and games conducted during annual fairs and exhibitions.

Licensing Activity
1999/2000

License Type		
Bingo		
Ticket Lottery		
Permits		
Breakopen		
Games of Chance/Carnival		

Registration and Licensing

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Licensing Activity
1999/2000

License Type	Series	Single
Bingo	498	227
Ticket Lottery	610	575
Permits		4504
Breakopen		99
Games of Chance/Carnival		210

Investigation and Enforcement

Inspections/Complaints/Investigations

1999 2000

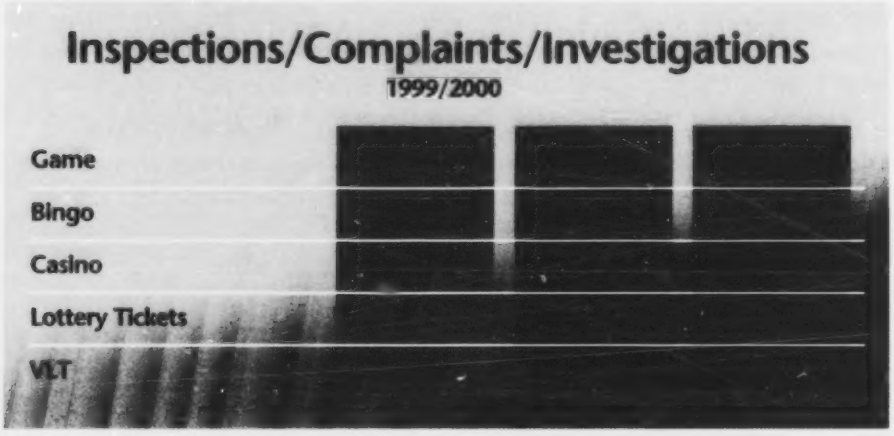
Game	Inspections	Complaints	Investigations
Bingo	551	154	31
Casino	10,184	11	22
Lottery Tickets	207	13	10
VLT	16,809	20	35

Investigation and Enforcement

Gaming inspections are regularly conducted by Alcohol and Gaming Authority compliance staff throughout Nova Scotia. These inspections are conducted to ensure that the gaming licensees of the Alcohol and Gaming Authority are conducting their activities in accordance with principles of honesty and integrity, and the provisions of the applicable regulations.

The compliance staff of the Authority conducts surveillance at both the Halifax and Sydney Casinos to ensure the operator is complying with the *Gaming Control Act* and *Casino Regulations*. Similarly, compliance officers inspect VLT play with regards to underage play and credit granting contraventions. Bingo operations and charitable lotteries are checked to ensure compliance with applicable regulations.

The Alcohol and Gaming Authority continues to serve and equally represent all stakeholders in the gaming industry keeping in mind the best interests of all Nova Scotians.



Gaming Activities In Nova Scotia

Overview

The Nova Scotia Alcohol and Gaming Authority is responsible for the regulation of legalized gaming in the Province. These gaming activities include video lottery terminals (VLTs), casinos, Atlantic Lottery Corporation (ALC) products, bingos and charitable ticket lotteries.

For the purpose of measuring the volume of gaming activities on a consistent basis, the Alcohol and Gaming Authority uses the "wager" as a base unit. This figure represents the amount of money actually wagered on each gaming activity before prizes are awarded, operating expenses are deducted, and other assorted expenditures are accounted for. The wager for each type of gaming activity is defined in the following manner:

- cash deposited into VLTs (Video Lottery Terminals) when referring to VLTs
- cash deposited into casino slot machines plus the chips purchased for table games when referring to casinos
- cash paid for the purchase of bingo cards by players when referring to bingo
- cash paid for the purchase of tickets by players when referring to ticket lotteries

5 Year Review

The total amount wagered in the Province has increased in each of the past five years. From 1995/1996 to 1999/2000, wagering has increased 44.5 percent to reach a total of $1.05 billion in 1999/2000.

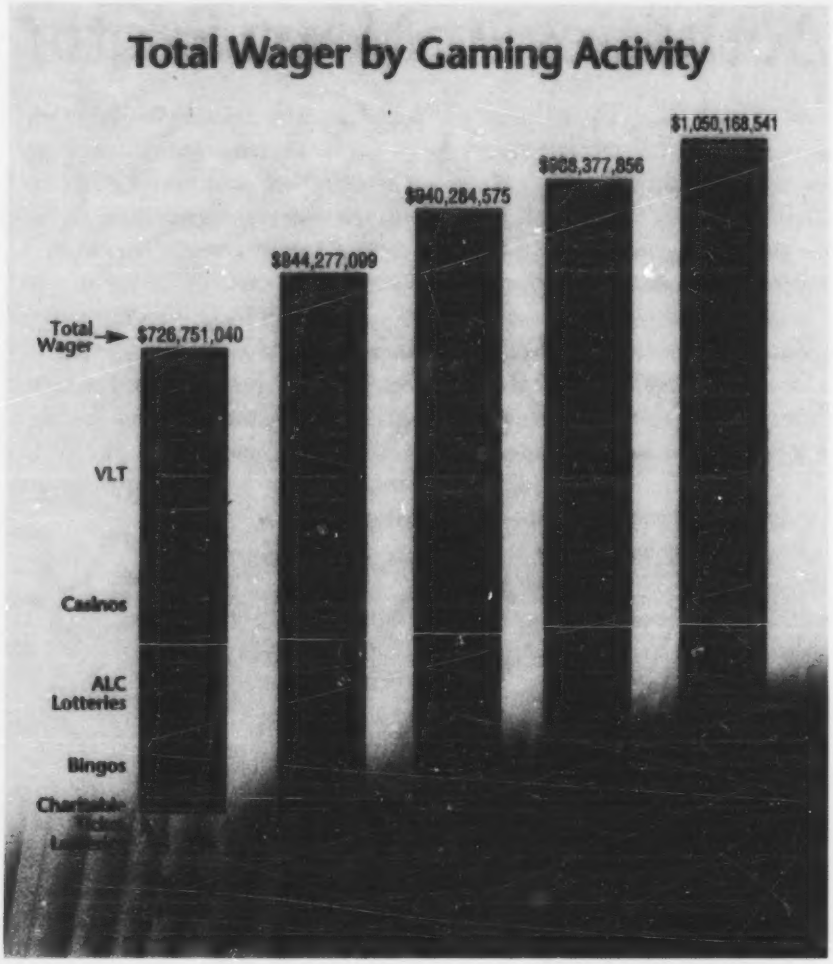
A comparison of the total amount wagered in the 1999/2000 fiscal year versus 1995/1996 shows the following:

- 162.8 percent increase in casino wager
- 31.4 percent increase in charitable ticket lotteries wager
- 30.2 percent increase in VLT wager
- 19.4 percent increase in ALC Lotteries wager
- 4.4 percent decrease in bingo wager

Casino operations in Nova Scotia have shown the largest percentage increase in amount wagered over the past five years. Both the Halifax and Sydney casinos opened during the 1995/1996 fiscal year, with 1996/1997 marking the first full year of operations. The casinos' share of the total wager in the Province increased to 29.0 percent in 1999/2000 from 23.2 percent in 1996/1997.

Video Lottery Terminals maintained the largest share of the gaming wager in the Province over the five year period, even though decreasing to 42.9 percent in 1999/2000 from 47.6 percent in 1995/1996. The percentage share of the wager for ALC lotteries, bingo and charitable lotteries have also shown decreases.

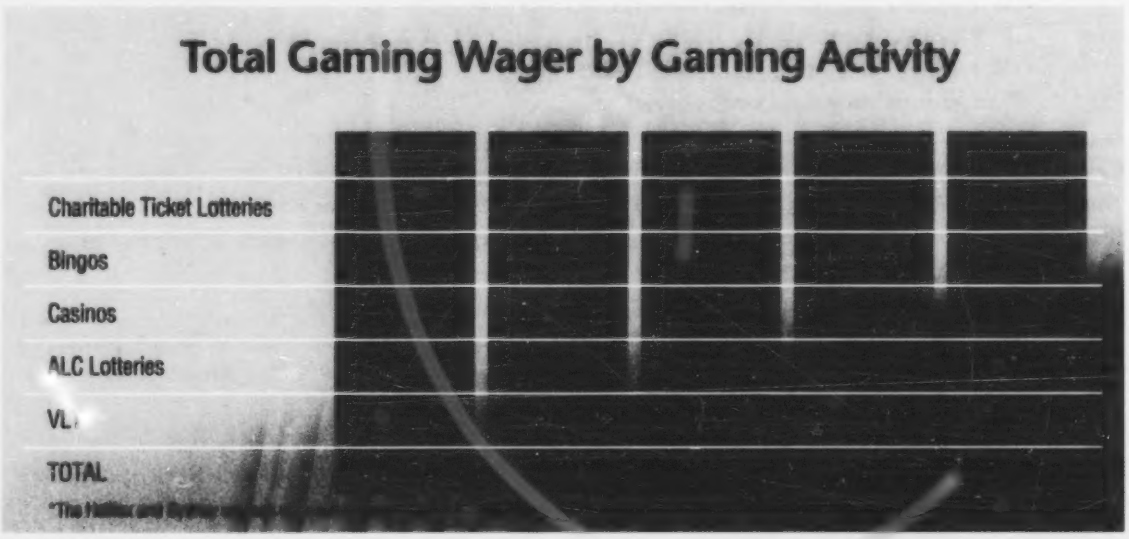
Charitable ticket lotteries and bingo have been a popular method of fund-raising for charitable and religious groups for many years. As a result, they are well established and the growth of these gaming activities have leveled off.



In examining the distribution of the total Provincial wager over the course of the past five years, the five year average of each component, as a percentage of the total wager, is as follows:

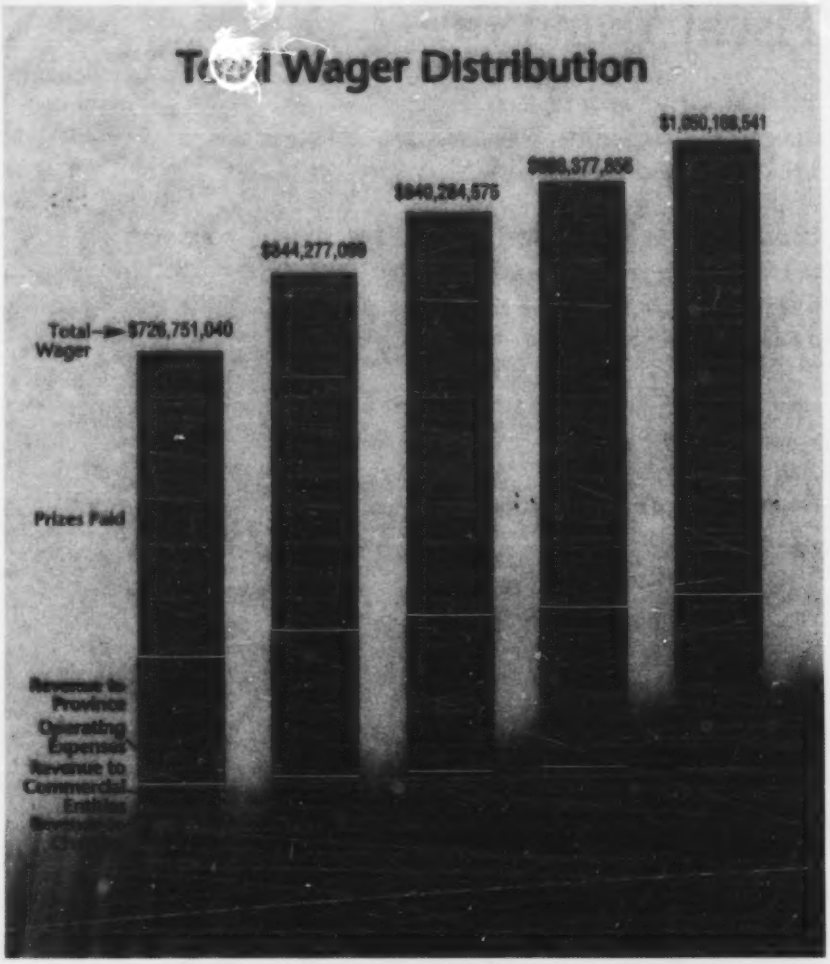
- Prizes 66.4 percent
- Revenue to the Province 15.7 percent
- Operating expenses 10.4 percent
- Revenue to commercial entities 5.4 percent
- Revenue to charities 2.1 percent

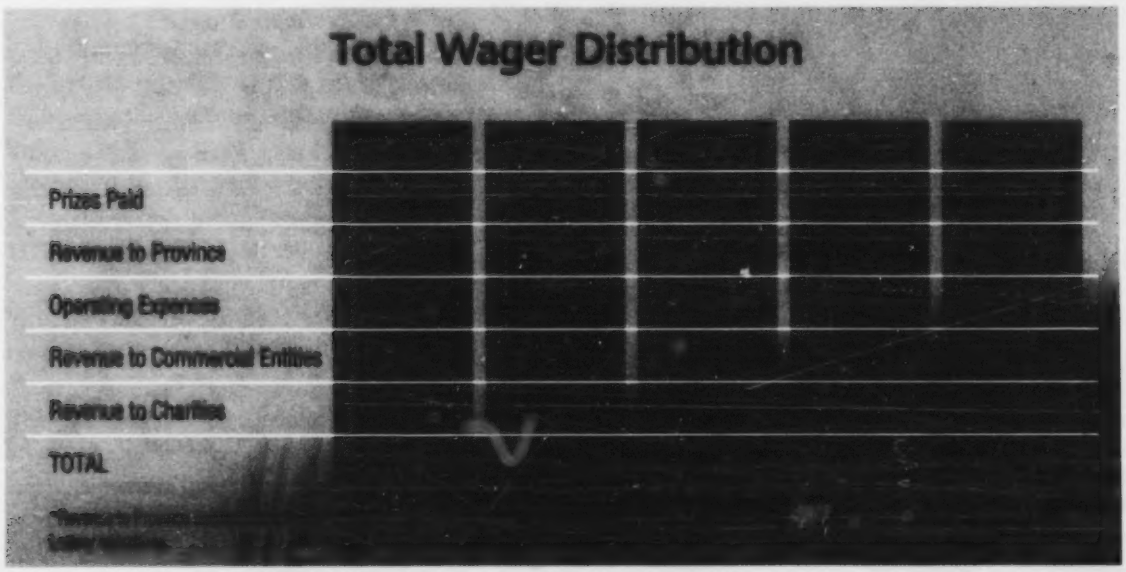
Prizes as a percentage of the wager for gaming in this Province has risen in each of the past three years, resulting in a larger portion of the wager being returned to gaming participants in the form of prizes. As a percentage of the total wager, operating



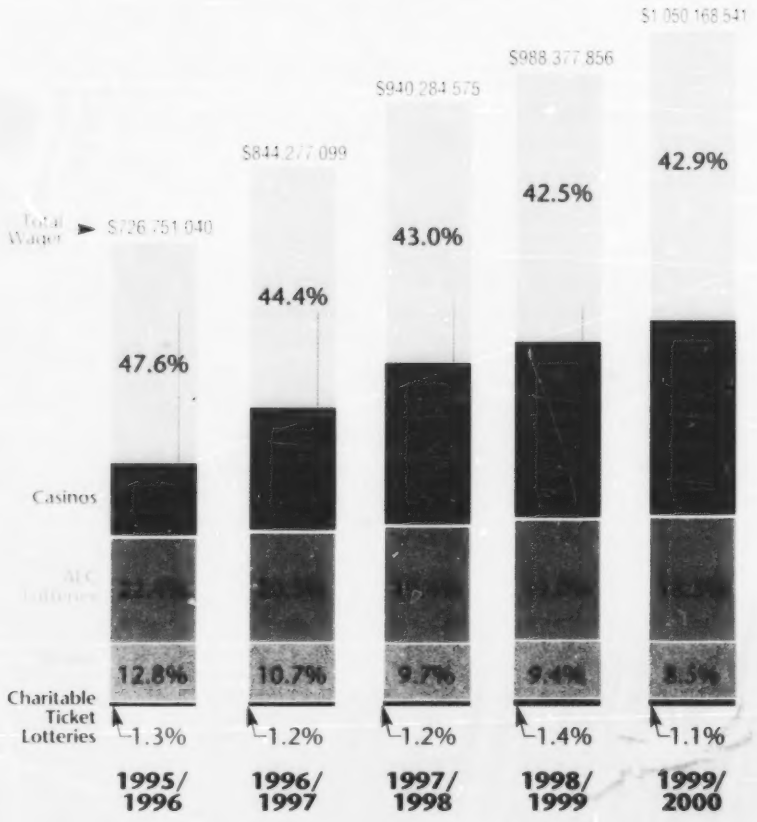
expenses have fluctuated over the five years in review. In each of the last three years there has been a decrease in the area of operating expenses.

The remaining components of the wager distribution have fluctuated over the past five years. A comparison of the 1995/1996 period to 1999/2000 shows that, as a percentage of the total wager, revenue to the Province has increased to 16.9 percent in 1999/2000 from 16.1 percent in 1995/1996. During that same time frame, revenue to charities as a percentage of the total wager has increased to 2.2 percent from 1.9 percent and revenue to commercial entities has decreased to 4.8 percent from 5.4 percent.





Total Wager by Gaming Activity



In examining the distribution of the total Provincial wager over the course of the past five years, the five-year average of each component, as a percentage of the total wager, is as follows:

- Prizes
  90.4 percent
- Revenue to the Province
  1.8.7 percent
- Operating expenses
  10.4 percent
- Revenue to commercial entities
  5.4 percent
- Revenue to charities
  2.1 percent

Prizes as a percentage of the wager for gaming in this Province has risen in each of the past three years, resulting in a larger portion of the wager being returned to gaming participants in the form of prizes. As a percentage of the total wager, operating

Total Gaming Wager by Gaming Activity

	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000
Charitable Ticket Lotteries	$ 9,049,430	$ 10,469,571	$ 11,649,296	$ 14,066,926	$ 11,886,568
Bingos	92,912,287	90,384,862	90,642,126	92,543,580	88,779,127
Casinos	115,792,120*	196,181,952	250,935,822	274,222,612	304,340,958
ALC Lotteries	163,005,101	172,693,249	182,311,128	187,833,194	194,619,994
VLT	345,992,102	374,547,465	404,746,203	419,711,544	450,541,894
TOTAL	$ 726,751,040	$ 844,277,099	$ 940,284,575	$ 988,377,856	$ 1,050,168,541

* The Halifax and Sydney casinos were not in operation for the full 12 months of 1995/96. Halifax opened in June of 1995. Sydney in August of 1995

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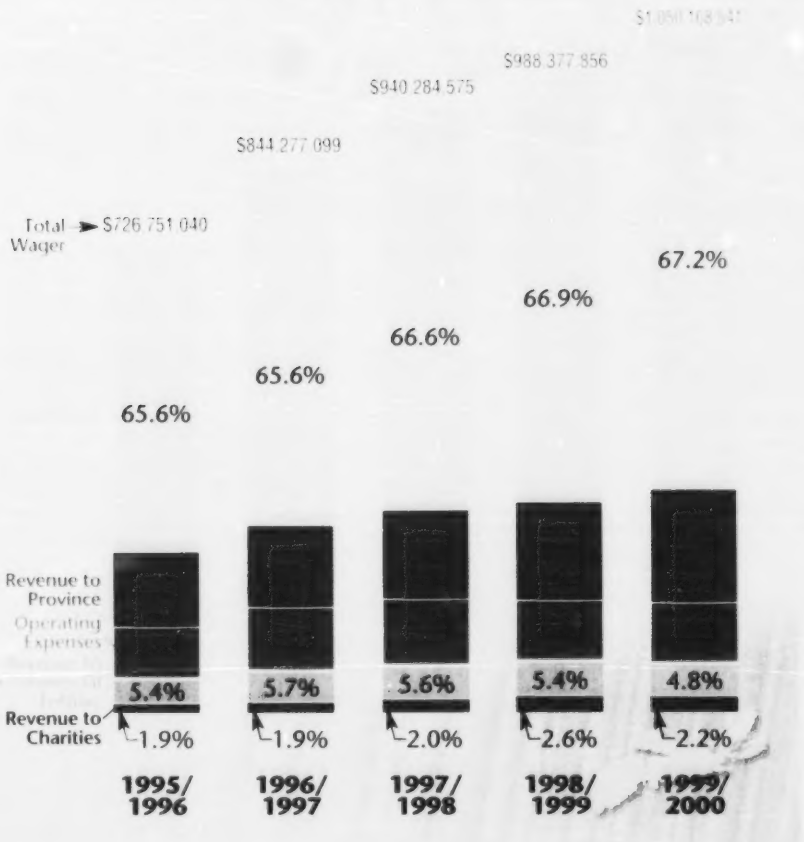
Total Wager Distribution



Total Wager Distribution

	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000
Prizes Paid	$ 477,022,961	$ 553,544,863	$ 626,228,644	$ 661,318,665	$ 705,172,760
Revenue to Province	116,022,961	128,220,634	139,247,603	153,395,015	177,456,080*
Operating Expenses	79,768,523	98,338,880	102,964,109	94,966,550	93,562,512*
Revenue to Commercial Entities	39,245,226	48,533,336	53,206,535	52,839,357	50,810,834
Revenue to Charities	14,003,827	15,639,386	18,637,684	25,828,269	23,166,354
TOTAL	$ 726,751,040	$ 844,277,099	$ 940,284,575	$ 988,377,856	$ 1,050,168,541

*Revenue to Province and Operating Expenses have been adjusted to reflect $ 6.2 million in ALC products overhead costs not charged directly to VLT or Ticket Lottery operations.

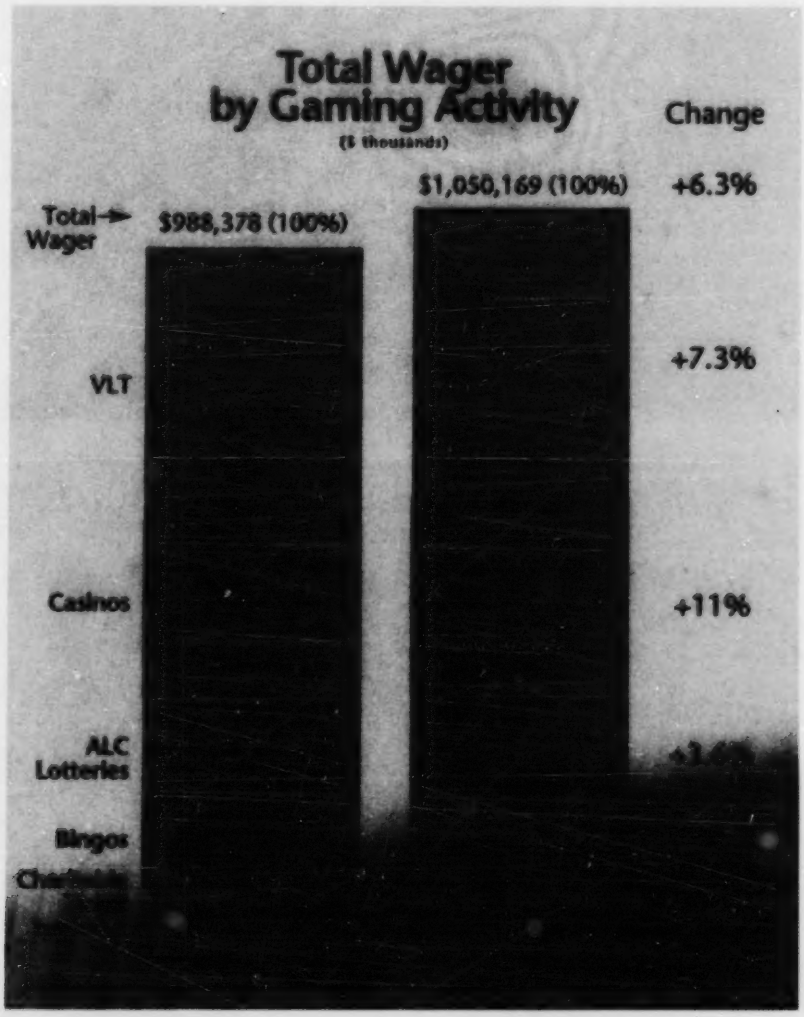
Fiscal Year 1999/2000

The fiscal year of 1999/2000 showed an increase in gaming activity in the Province, with the total wager for VLTs, casinos, ALC lotteries, bingos and charitable lotteries at $1.05 billion. This marked a 6.3 percent increase from $988.4 million in 1998/1999.

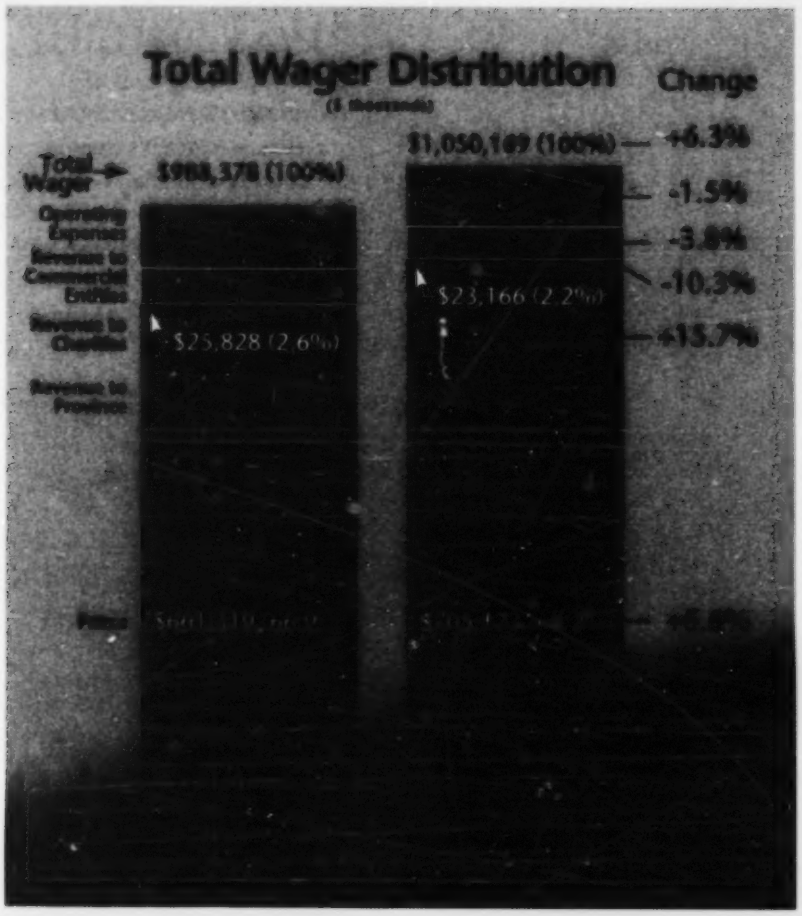
Of the total wager, $705.1 million went to gaming participants in the form of prizes, marking an increase of 6.6 percent from the prize payout of $661.3 million generated in 1998/1999. Prize pay-outs in 1999/2000 represented 67.2 percent of the total wager, an increase from 66.9 percent in 1998/1999. Revenue to the Province was $177.5 million, representing 16.9 percent of the total wager, a 15.7 percent increase from $153.4 million in 1998/1999.

Operating expenses decreased 1.5 percent from 1998/1999 to $93.6 million, representing 8.9 percent of the total wager.

Revenue received by charities from gaming activities in 1999/2000 was $23.2 million, a decrease of 10.3 percent from $25.8 million in1998/1999. Some factors attributing to the decrease in revenue to charities included: a decline in bingo and charitable ticket lotteries activity reported, a decrease in the commission rate to VLT retailers, and a redirection of the Sydney casino profits to general Provincial revenues.



Revenue to commercial entities in 1999/2000 was $50.8 million, down 3.8 percent from $52.8 million the year before. A contributing factor to the overall decrease in revenue to commercial entities was the reduction in the commission rate to VLT retailers.



Video Lottery Terminals

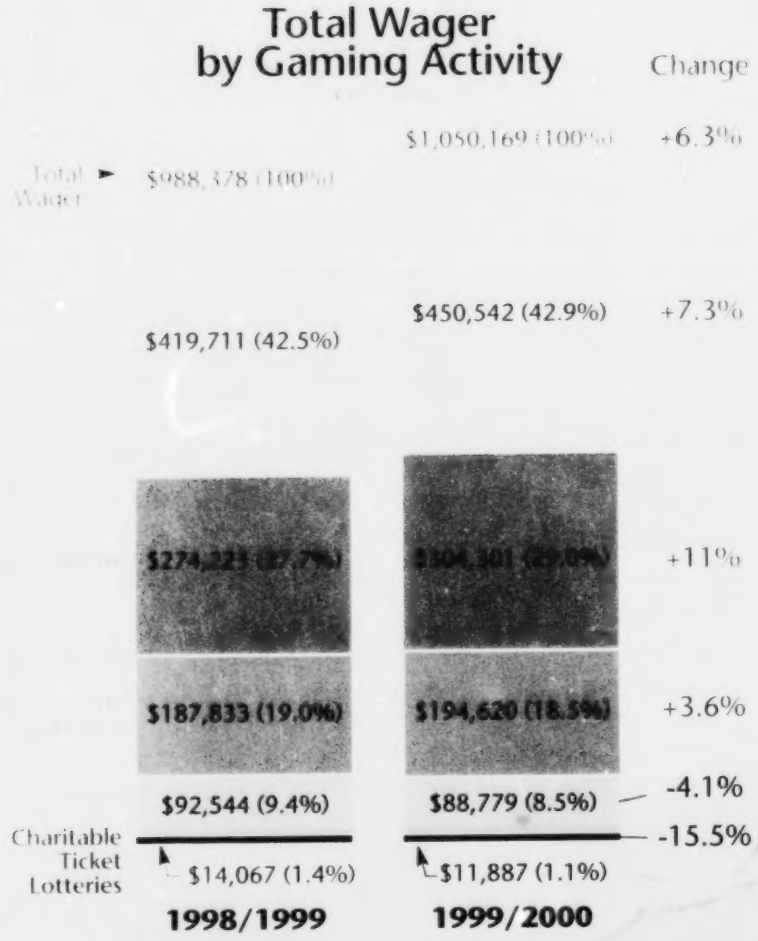
In 1999/2000, the VLT wager amounted to $450.5 million, representing a 7.3 percent increase from $419.7 million in 1998/1999. The VLT wager in 1999/2000 represented 42.9 percent of the total Provincial wager, and continues to be the single largest gaming activity in the Province. While the number of active VLTs in Nova Scotia has been capped effective June 1998 pursuant to the *Video Lottery Terminals Moratorium Act*, a comparison of VLT activity displayed an increase in the amount wagered per individual VLT from 1998/1999 to 1999/2000. Based on 3,234 VLTs in use, the average annual wager per machine was $139.3 thousand in 1999/2000, an increase from $129.8 thousand in 1998/1999.

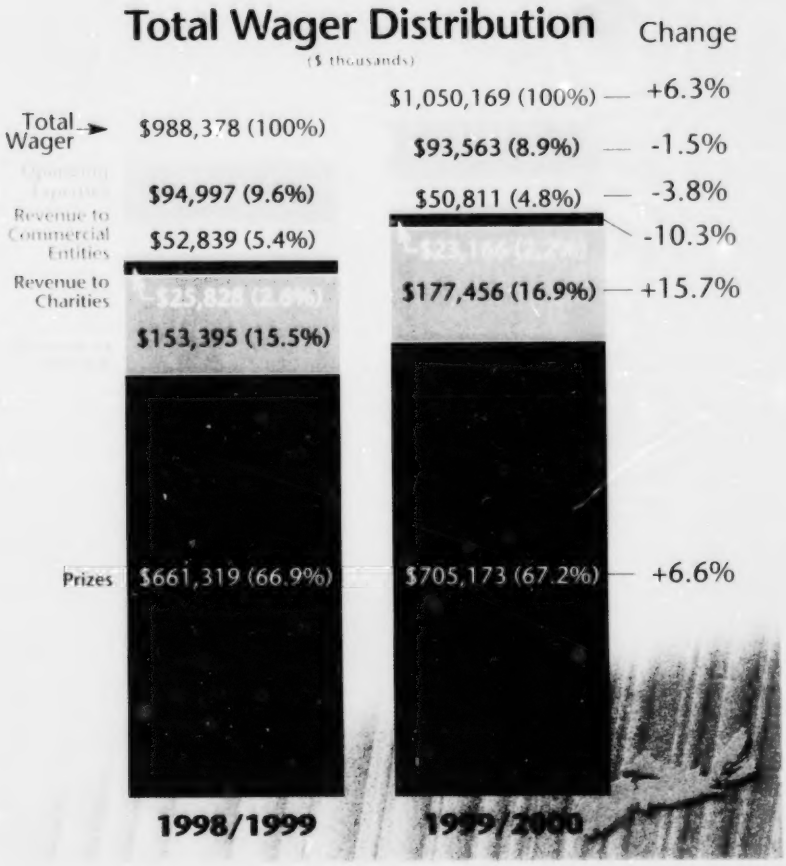
VLT prizes amounted to $311.4 million in 1999/2000, an increase of 7.2 percent over the previous year, and represented 69.1 percent of the total VLT wager (essentially unchanged from the previous year at 69.2 percent).

VLT revenues distributed to both charitable and commercial retailers decreased in 1999/2000. In March of 1999, a new agreement between retailers and the Nova Scotia Gaming Corporation reduced the retailers' commission rate to 25 percent of net revenue, from 30 percent. As a result, commercial retailers' commission decreased 8.7 percent to $25.5 million in 1999/2000. Charitable retailers' commission declined 13.6 percent in 1999/2000 to

Fiscal Year 1999/2000

Total Wager by Gaming Activity





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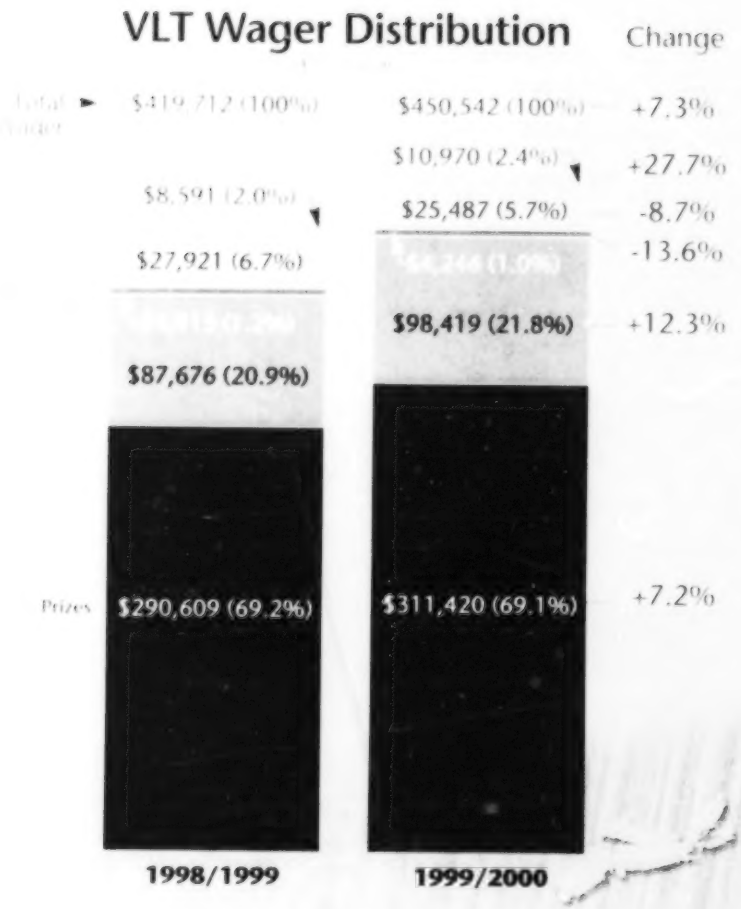
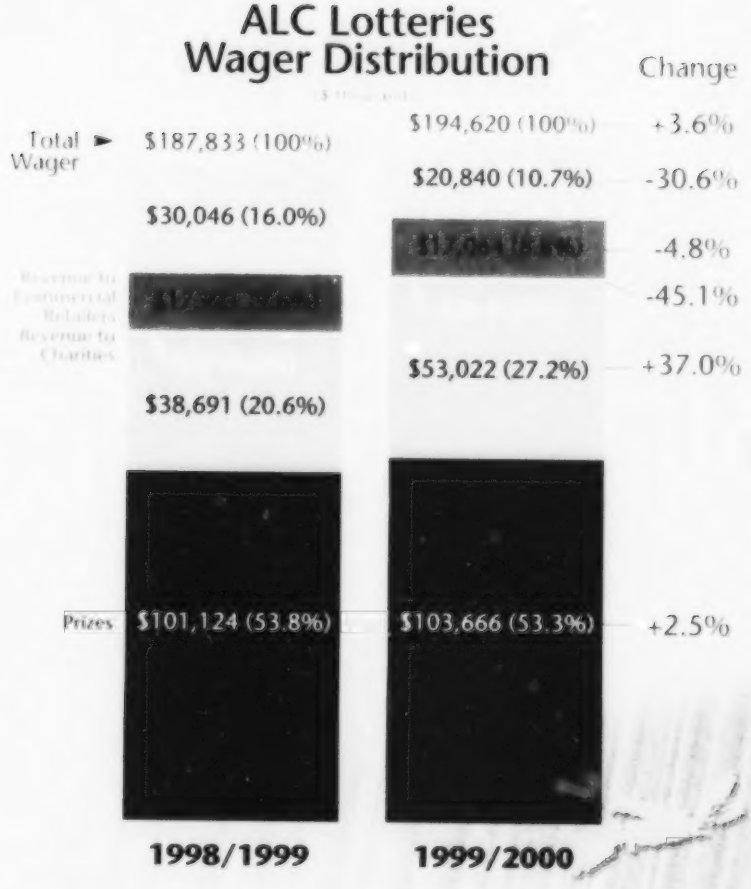
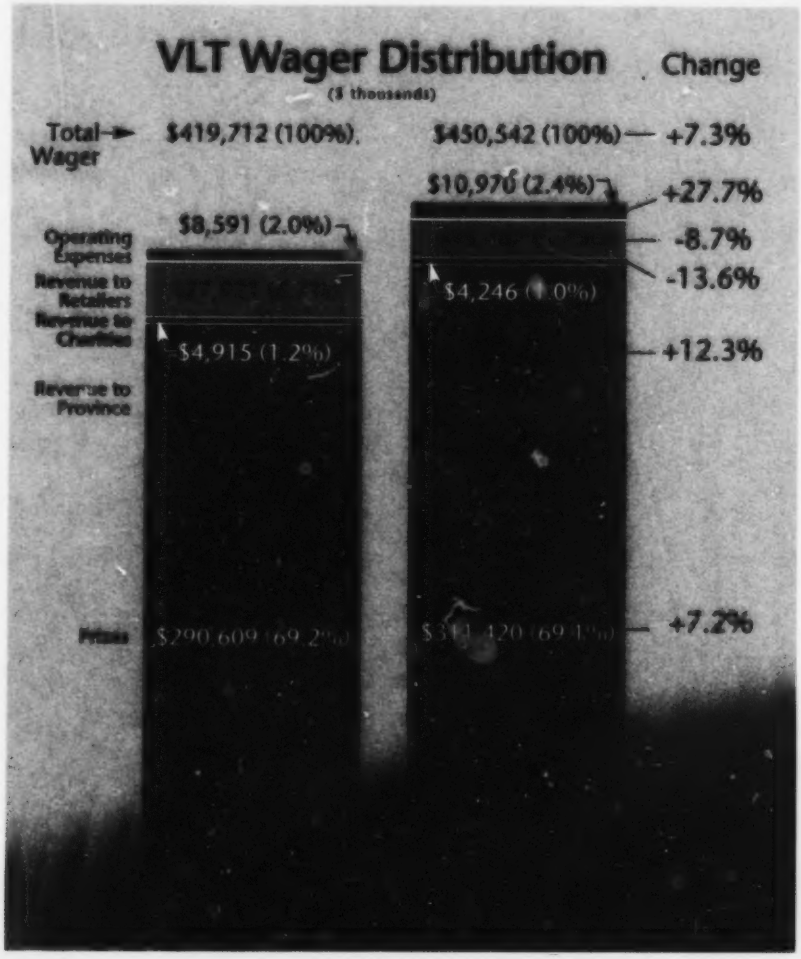

VLT Wager Distribution
Change
$419,712 (100%)
$450,542 (100%)
+7.3%
$10,970 (2.4%)
+27.7%
$8,591 (2.0%)
$25,487 (5.7%)
-8.7%
$27,921 (6.7%)
-13.6%
$98,419 (21.8%)
+12.3%
$87,676 (20.9%)
Prizes
$290,609 (69.2%)
$311,420 (69.1%)
+7.2%
1998/1999
1999/2000

Atlantic Lottery Corporation Lotteries





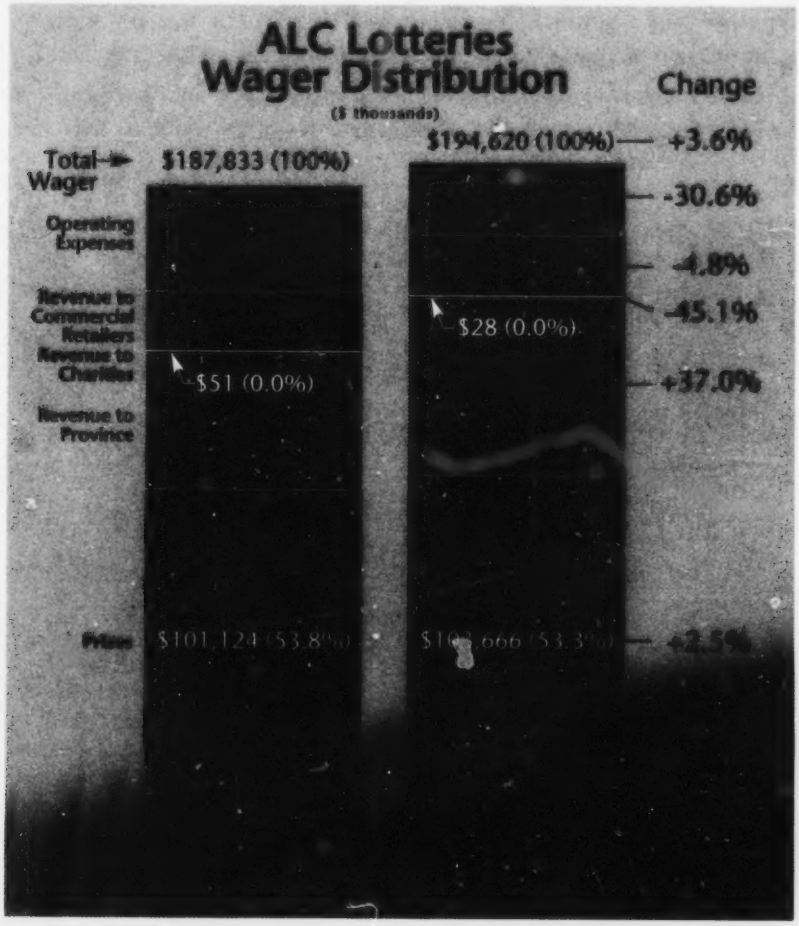
$4.2 million, from $4.9 million in 1998/1999. Operating expenses in 1999/2000 increased 27.7 percent to $11.0 million, from $8.6 million in 1998/1999. These figures are not directly comparable due to changes in the allocation of ALC corporate operating costs.

In 1999/2000, the Province received $98.4 million in revenue from the VLT program, an increase of 12.3 percent over $87.7 million in 1998/1999. Revenue to the Province from VLTs represented 21.8 percent of the total VLT wager, up minimally from 20.9 percent in 1998/1999. The increase in revenue received by the Province is partly attributed to increased VLT activity, and an increased share of VLT net revenues relating to the new retailer agreement.

Atlantic Lottery Corporation Lotteries

In 1999/2000, $194.6 million was wagered on Atlantic Lottery Corporation (ALC) lottery products. This figure represented 18.5 percent of the total Provincial wager and marked a 3.6 percent increase from the $187.8 million wagered on ALC lottery products in 1998/1999.

A total of $103.7 million was returned in the form of prizes for ALC lotteries in 1999/2000, representing an increase of 2.5 percent from the $101.1 million in prizes in 1998/1999. The $103.7 million prize payout represents 53.3 percent of the total ALC lotteries wager, and marks a decrease from the 53.8 percent figure realized in 1998/1999.



Retailer revenue decreased 4.8 percent, from $17.9 million in 1998/1999 to $17.1 million in 1999/2000. Revenue to retailers represented 8.8 percent of the ALC wager for 1999/2000, a decrease from the 9.6 percent figure recorded in 1998/1999. Revenue to charities generated from charitable breakopen tickets also declined in 1999/2000 to $28,000, from $51,000 in 1998/1999.

Operating expenses for ALC lotteries in 1999/2000 decreased 30.6 percent to $20.8 million. These figures are not directly comparable to previous years due to changes in the allocation of ALC corporate operating costs.

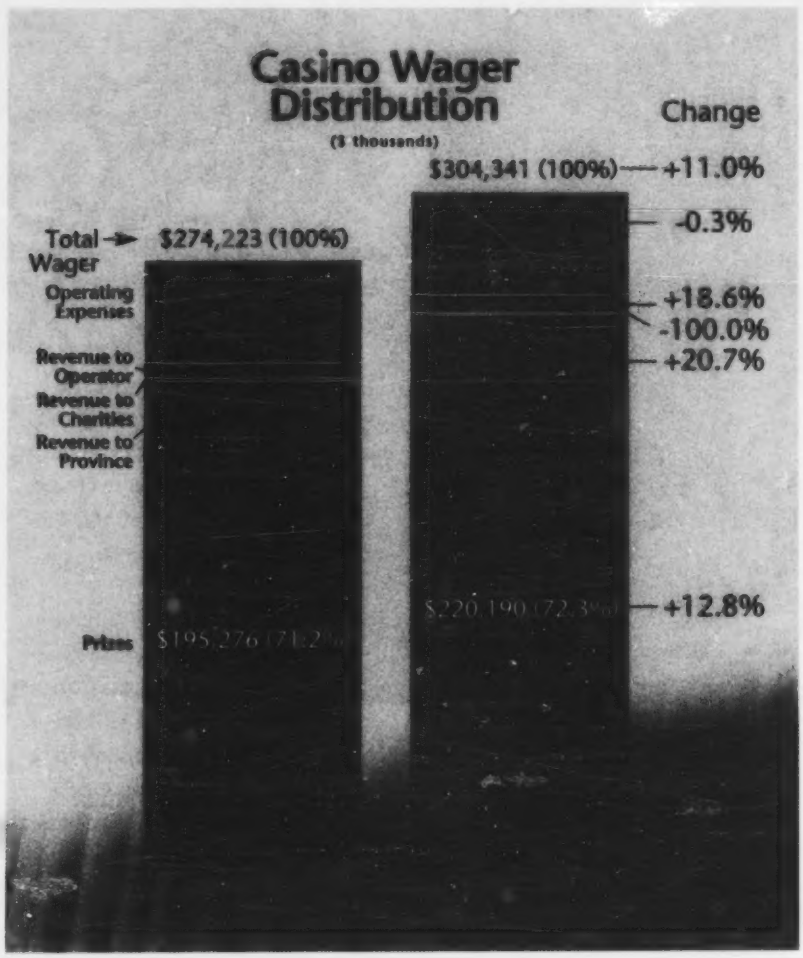
In 1999/2000, the Province received $53.0 million in revenue from ALC ticket lotteries, an increase of 37.0 percent over $38.7 million in 1998/1999. However, as a result of changes in allocation methods, $6.2 million in ALC products overhead costs were charged directly against revenues to the Province, that were not specifically expensed against the lottery program. Therefore, the calculation of revenue to the Province from ALC operations is: $53.0 million from ALC ticket lotteries, $98.4 million from VLTs, less $6.2 million in unallocated products overhead costs for a net amount of $145.2 million.

Casinos

In 1999/2000, $304.3 million was wagered at Nova Scotia's Halifax and Sydney casinos, representing an 11 percent increase over $274.2 million wagered in 1998/1999. Casinos had the largest percentage growth among the five types of gaming in Nova Scotia, and comprised 29 percent of the total wager in the Province.

The 1999/2000 fiscal year saw the casinos incur $45.6 million in operating expenses, a decrease of 0.3 percent from $45.8 million in 1998/1999. The 1999/2000 operating expenses represent 15.0 percent of the total casino wager compared to 16.7 percent in 1998/1999.

The casino operator realized $7.8 million in revenue in 1999/2000, marking an 18.6 percent increase from $6.6 million in 1998/1999. The increase is largely due to growth in the net operating income of the Halifax Casino. A decrease in operating expenses and the full amortization of the interim casino were significant factors in the Halifax casino's increased profitability.

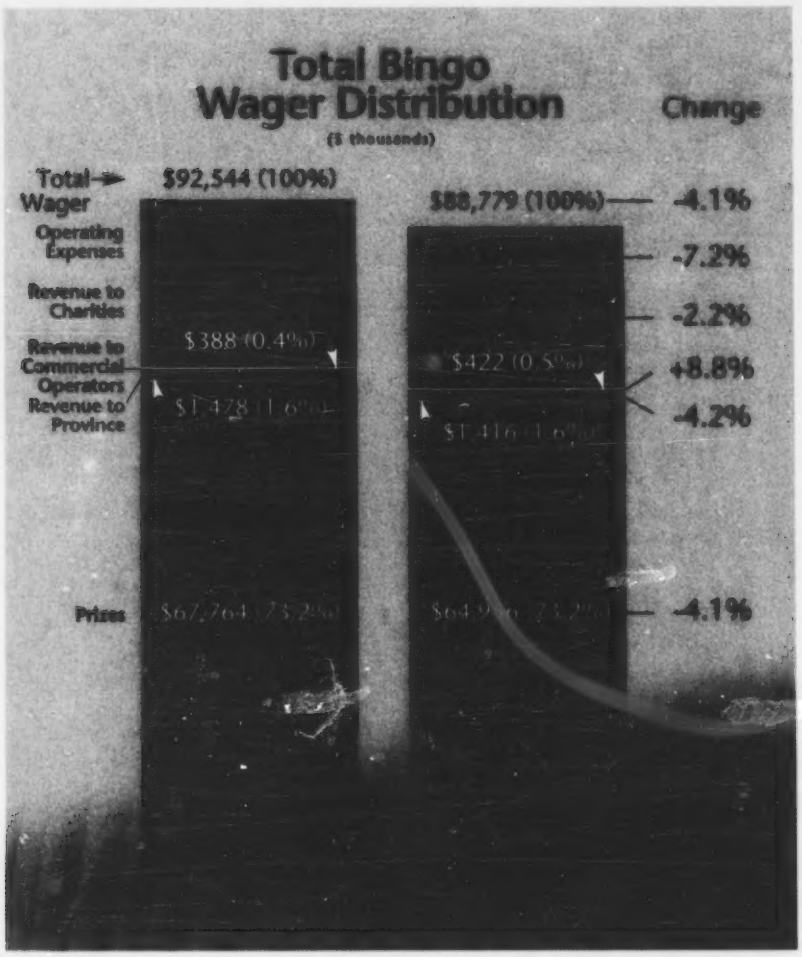


The Province's share of casino revenues in 1999/2000 amounted to $30.7 million, marking a 20.7 percent increase from $25.4 million in 1998/1999. The $30.7 million figure represents 10.1 percent of the 1999/2000 casino wager, an increase from the Province's 9.3 percent share of the total casino wager in 1998/1999. Some factors contributing to this increase were growth in casino profitability, a corresponding growth in win tax (a tax on the net of casino wager less prizes) and a redirection of 50 percent of the Sydney casino's net operating income.

The casinos paid out $220.2 million in prizes in 1999/2000, representing a 12.8 percent increase from $195.3 million in 1998/1999. Prize pay-outs in 1999/2000 accounted for 72.3 percent of the total casino wager, marking an increase from 71.2 percent in 1998/1999.

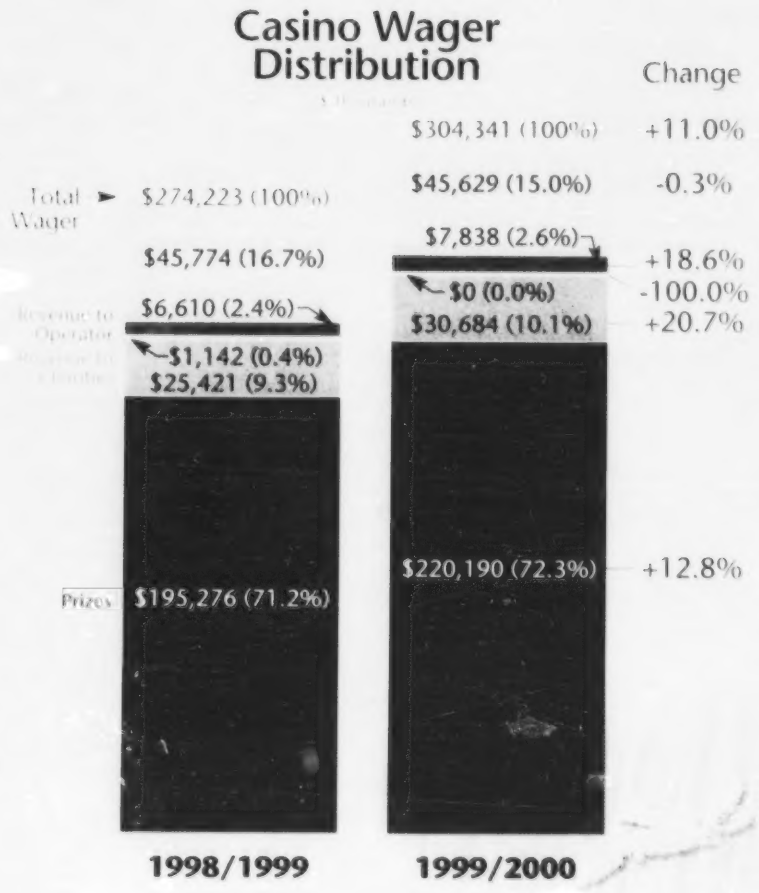
Bingo

Bingo ranks as the second smallest component of Nova Scotia's gaming industry, with 8.5 percent of the total Provincial wager in 1999/2000. However, bingo continues to rank first overall as a means of generating funds for charitable purposes, with profits approaching $14 million in 1999/2000, down 2.2 percent from 1998/1999.



The bingo wager amounted to $88.8 million in 1999/2000, marking a 4.1 percent decrease from $92.5 million in 1998/1999. Despite the decrease, bingo remains a popular gaming activity, with overall attendance exceeding 2.7 million players for this reporting period.

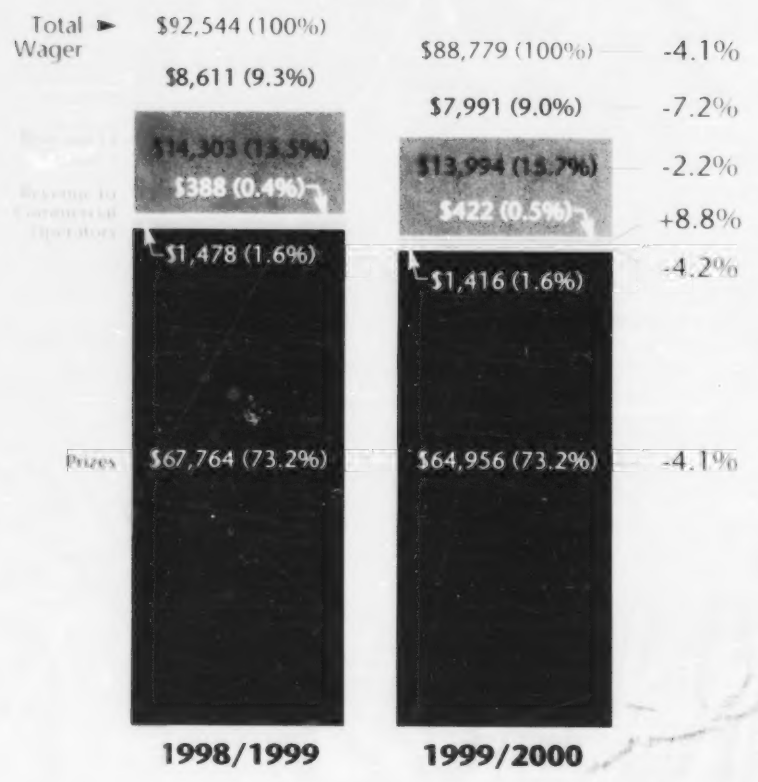
Casinos


Casino Wager Distribution
Change
$304,341 (100%)
+11.0%
Total Wager
$274,223 (100%)
$45,629 (15.0%)
-0.3%
$7,838 (2.6%)
$45,774 (16.7%)
+18.6%
$0 (0.0%)
-100.0%
$6,610 (2.4%)
$30,684 (10.1%)
+20.7%
$1,142 (0.4%)
$25,421 (9.3%)
Prizes
$195,276 (71.2%)
$220,190 (72.3%)
+12.8%
1998/1999
1999/2000

Bingo

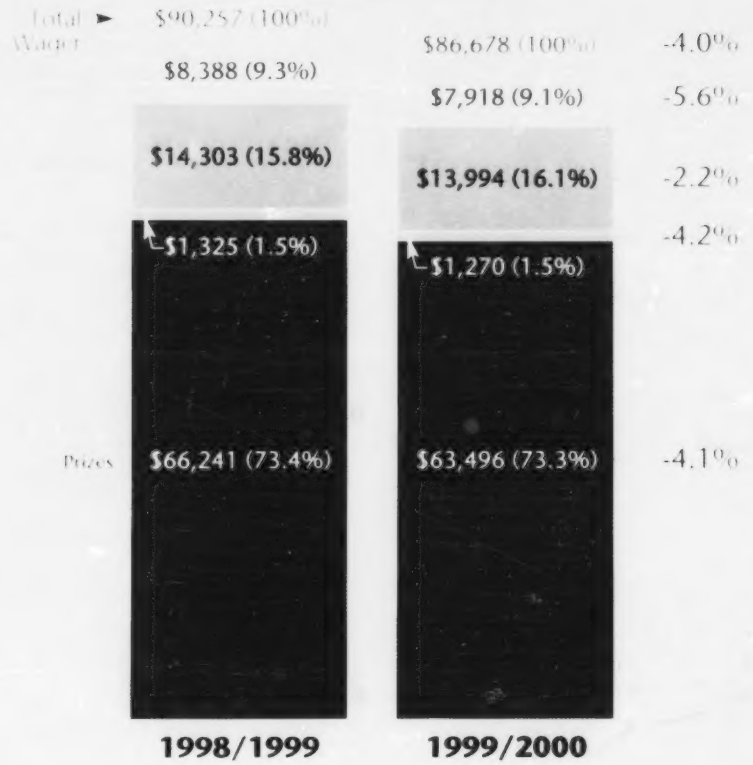
Total Bingo Wager Distribution

($ thousands)



Charitable Bingo

Charitable Bingo Wager Distribution



Charitable Bingo Licenses Grouped By Net Profits

1999/2000

Category	Licenses	Licenses Grouped By Net Profit			Average Net Profit
		<0%	0-15%	>15%	
$0-50,000	191	29	59	103	14.5%
50,000-100,000	83	7	40	36	15.7%
100,000-150,000	85	3	58	24	12.3%
150,000-200,000	54	1	28	25	15.9%
200,000-250,000	35	0	13	22	17.5%
250,000-300,000	24	0	9	15	18.0%
300,000-500,000	25	0	11	14	17.2%
500,000-1,000,000	32	0	15	17	14.5%
$1,000,000+	8	0	3	5	17.7%
TOTALS	537	40	236	261	15.8%

Charitable Bingo Licenses Grouped By Wager

Category	Licenses	Percentage Of Total Licenses	Wager ($ thousands)	Percentage Of Total Wager
$0-50,000	191	35.5%	$2,847	3.3%
50,000-100,000	83	15.5%	6,147	7.1%
100,000-150,000	85	15.8%	10,590	12.2%
150,000-200,000	54	10.0%	9,392	10.8%
200,000-250,000	35	6.5%	7,739	8.9%
250,000-300,000	24	4.5%	6,547	7.6%
300,000-500,000	25	4.7%	9,604	11.1%
500,000-1,000,000	32	6.0%	21,375	24.7%
$1,000,000+	8	1.5%	12,437	14.3%
TOTALS	537	100.0%	$86,677	100.0%

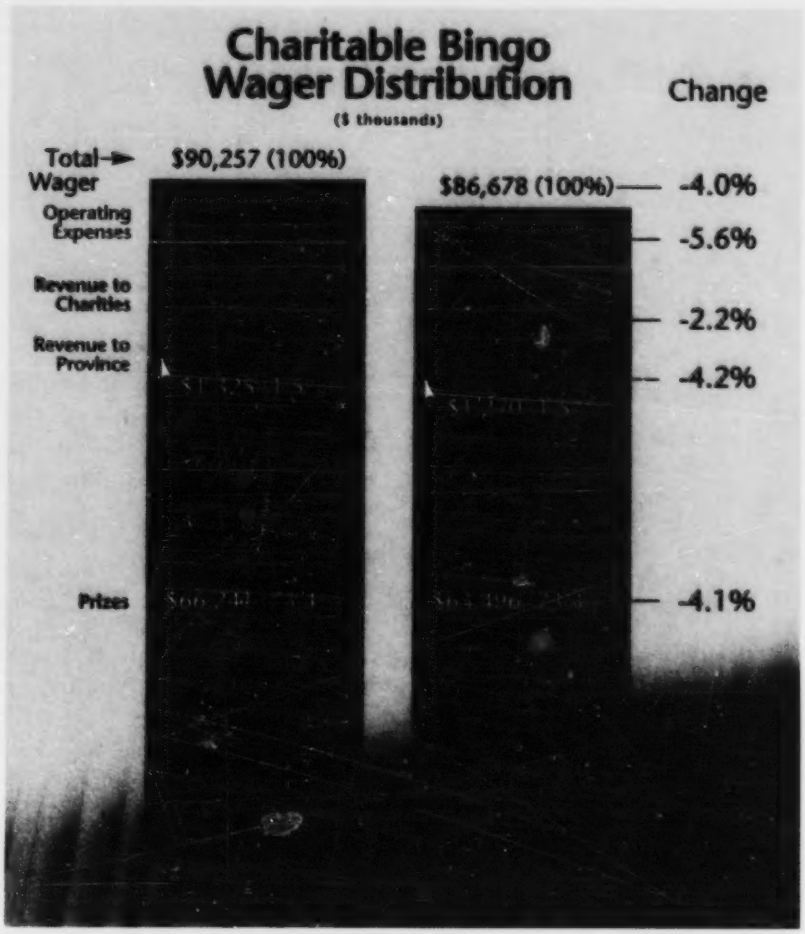
Charitable Bingo

Charitable bingo continues to play a much needed role in fund raising throughout the Province. Charitable profits achieved through bingo operations is one way that organizations such as volunteer fire departments, churches, schools, amateur sports teams, legions or other community groups can support their projects and programs.

In 1999/2000, $86.7 million was wagered at charitable bingo, marking a 4.0 percent decrease from $90.3 million wagered in the previous year.

The total value of bingo prizes awarded in 1999/2000 was $63.5 million, 4.1 percent lower than the previous year, representing 73.3 percent of the charitable bingo wager. During previous years, some charitable bingo operators were not maximizing their profits, partly due to the rate at which prizes were being awarded. It is encouraging to note that bingo operators have collectively reduced both their prize structure and expenses.

In 1999/2000, $7.9 million of the total bingo wager was allocated toward operating expenses, down 5.6 percent from $8.4 million reported in 1998/1999. Operating expenses represented 9.1 percent of the total charitable bingo wager in 1999/2000, essentially unchanged from the previous year.



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$1,000,000+	8	1.5%	12,437	14.3%
TOTALS	537	100.0%	$86,677	100.0%

Bingo licenses are issued by the Authority for one time events (bingo single licenses), or recurring events (bingo series licenses). The majority of bingos are small in nature, with more than 65 percent having an annual total wager of less than $150,000. Conversely, 13.1 percent of bingos had an annual total wager over $300,000 and generated more than 50 percent of the total charitable bingo wager.

One type of bingo that has shown increased popularity along with success is that of media bingo (television or radio). In 1999/2000, Nova Scotia's 33 media bingos generated $5.1 million in wagers resulting in profits of $2.0 million. This represents an average return of 38.4 percent, well above that of traditional bingo.

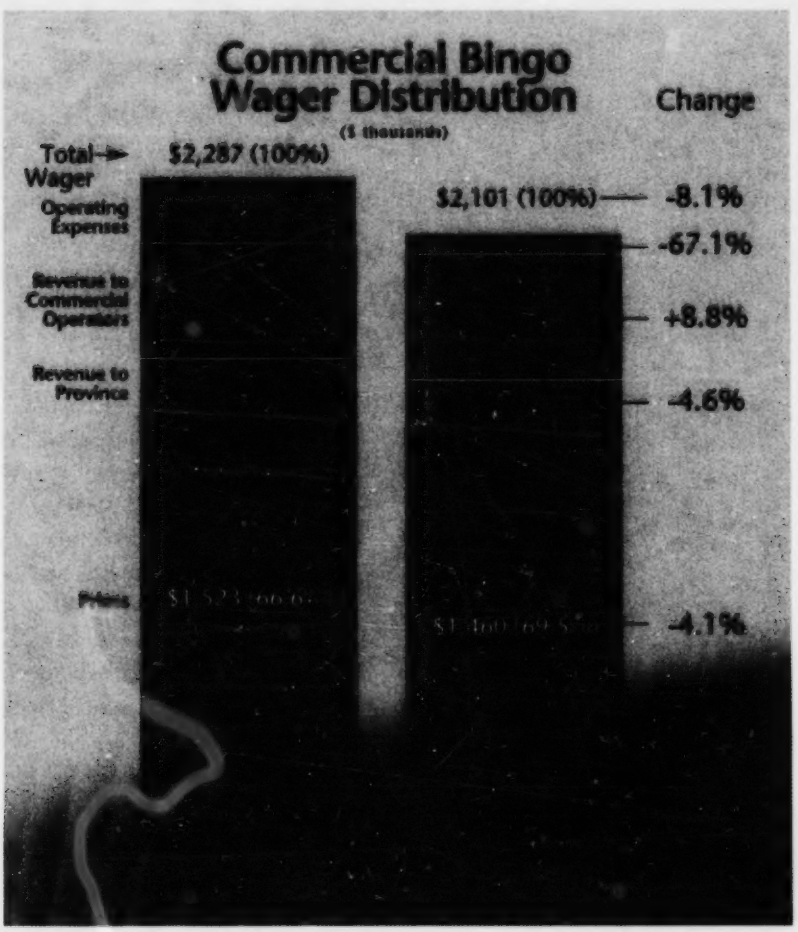
The Alcohol and Gaming Authority continues to assist charitable bingos by striving to make reporting requirements simpler, and providing licensees with comparative performance statistics so that they may better gauge their own performance. As well, licensing staff of the Alcohol and Gaming Authority continue to meet with charitable bingo operators to provide assistance when required.

Commercial Bingo

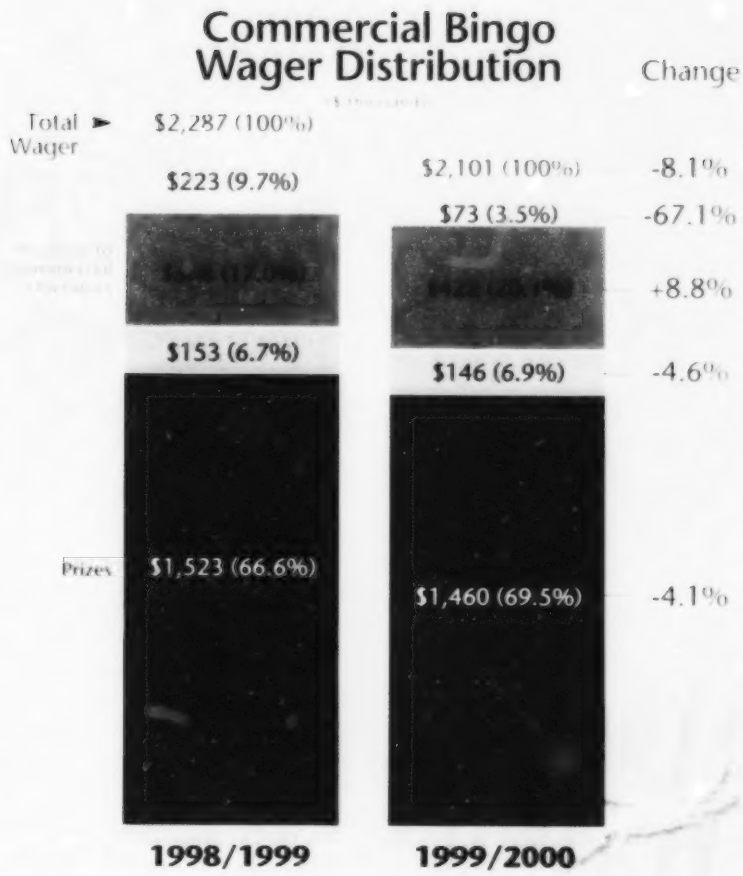
The *Bingo Regulations* include a provision that prohibits the issuance of any new commercial licenses. There are three remaining commercial bingo operators in Nova Scotia, and they exist solely by virtue of receiving their initial licenses prior to the prohibition of commercial bingo licenses.

In 1999/2000, $2.1 million was wagered at commercial bingo, representing 2.4 percent of the total bingo wager. By comparison, the $2.3 million commercial bingo wager in 1998/1999 amounted to 2.5 percent of the total wager.

Commercial bingo operators reported $422,000 in profit in 1999/2000, marking an 8.8 percent increase over 1998/1999. This increase is partly attributed to a decrease in reported operating expenses.



Commercial Bingo



Charitable Ticket Lotteries

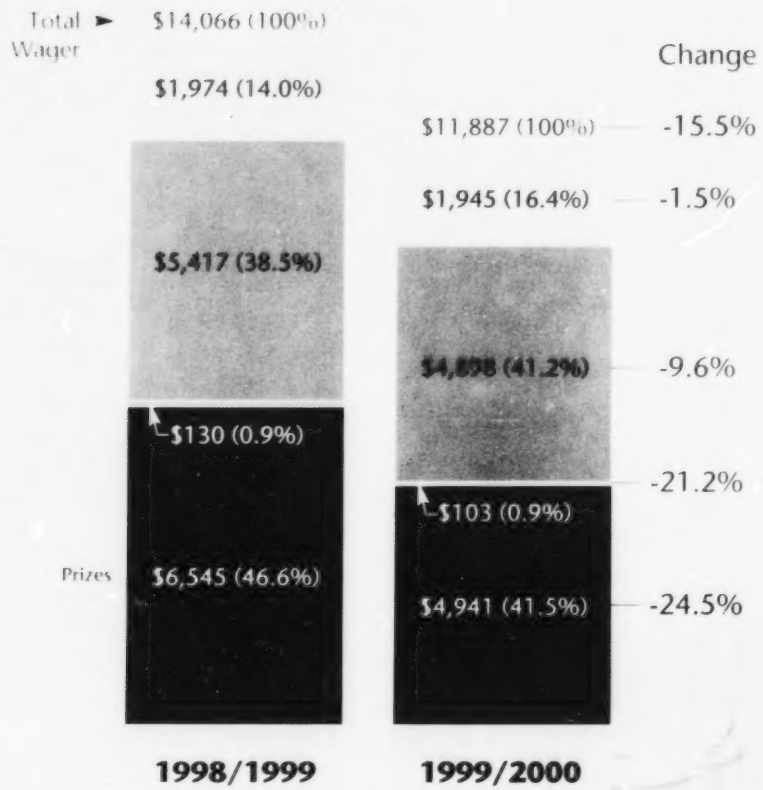
In 1999-2000, the charitable ticket lotteries wager totaled $11.9 million, representing 1.1 percent of the total wagering dollar and producing $4.9 million in charitable revenue. Although charitable ticket lotteries wager declined 15.5 percent in 1999-2000 from the previous year, the decline could be attributed to a change in the frequency of financial requirements which was introduced in 1999. In order to simplify the reporting process, licensees now only report results upon expiration of their license rather than on a monthly basis.

Operating expenses for charitable ticket lotteries totaled $5.9 million in 1999-2000, a 1.5 percent decrease from the $5.99 million reported operating expenses of 1998-1999. Operating expenses for 1999-2000 amounted to 16.4 percent of the total charitable ticket lottery wager, compared to 14.0 percent in 1998-1999.

Revenues for the Province from charitable lotteries totaled $103,000 in 1999-2000, a decrease of 21.2 percent from $130,000 in 1998-1999. The Province's share as a percentage of the total wager remained at 0.9 percent for the 1999-2000 year.

Charitable Lotteries Wager Distribution

$ thousands



The most significant shift in the share of the wager related to a reduction in prize amounts. Prize values of $4.9 million in 1999-2000 constituted 41.5 percent of the total wager, a decrease from 46.6 percent in 1998-1999.

In 1999-2000, of the charitable ticket lottery licenses reporting, 94.1 percent reported ticket sales of $500,000 or less. During the same time frame, 9 ticket lotteries had sales exceeding $2,000,000. These licensees realized $1.8 million for charitable purposes based on total sales of $4.8 million.

Among the various forms of charitable gaming in the Province, ticket lotteries remain the most efficient way to raise charitable funds. Of every dollar wagered in charitable lotteries in 1999/2000, the charities returned 41.5 cents for their projects and programs. This represents an increase from 38.5 cents in 1998/1999.

Charitable Lotteries Licenses Grouped by Wager

Category	Licenses	Percentage Of Total Licenses	Wager ($ thousands)	Percentage Of Total Wager
$0-50,000	650	94.1%	$4,360	36.7%
50,000-100,000	24	3.5%	1,578	13.3%
100,000-150,000	5	0.7%	594	5.0%
150,000-200,000	2	0.3%	325	2.7%
200,000-250,000	1	0.1%	203	1.7%
250,000-300,000	0	0.0%	0	0.0%
300,000-500,000	5	0.7%	2,036	17.1%
500,000-1,000,000	4	0.6%	2,791	23.5%
$1,000,000+	0	0.0%	0	0.0%
TOTALS	691	100.0%	$11,887	100.0%

Charitable Ticket Lotteries

In 1999/2000, the charitable ticket lotteries wager totaled $11.9 million, representing 1.1 percent of the total gaming wager and producing $4.9 million in charitable revenue. Although charitable ticket lotteries wager decreased 15.5 percent in 1999/2000 from the previous year, the decline could be attributed to a change in the frequency of reporting requirements which was introduced in 1999. In order to simplify the reporting process, licensees now need only report results upon expiration of their license rather than on a monthly basis.

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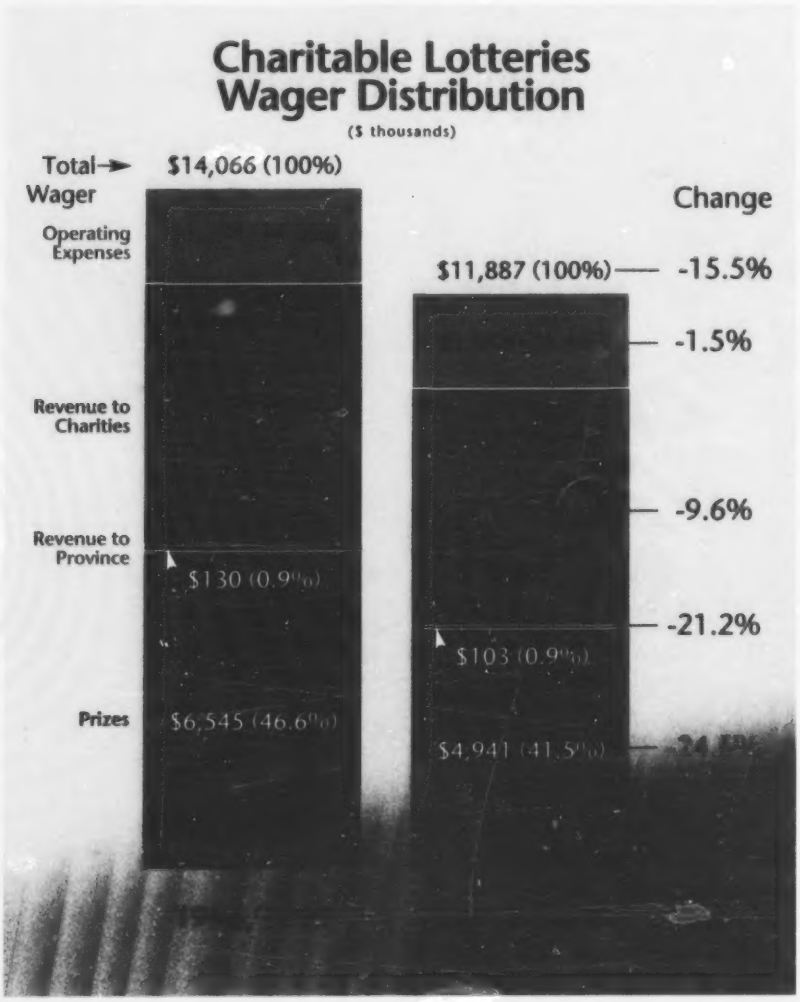

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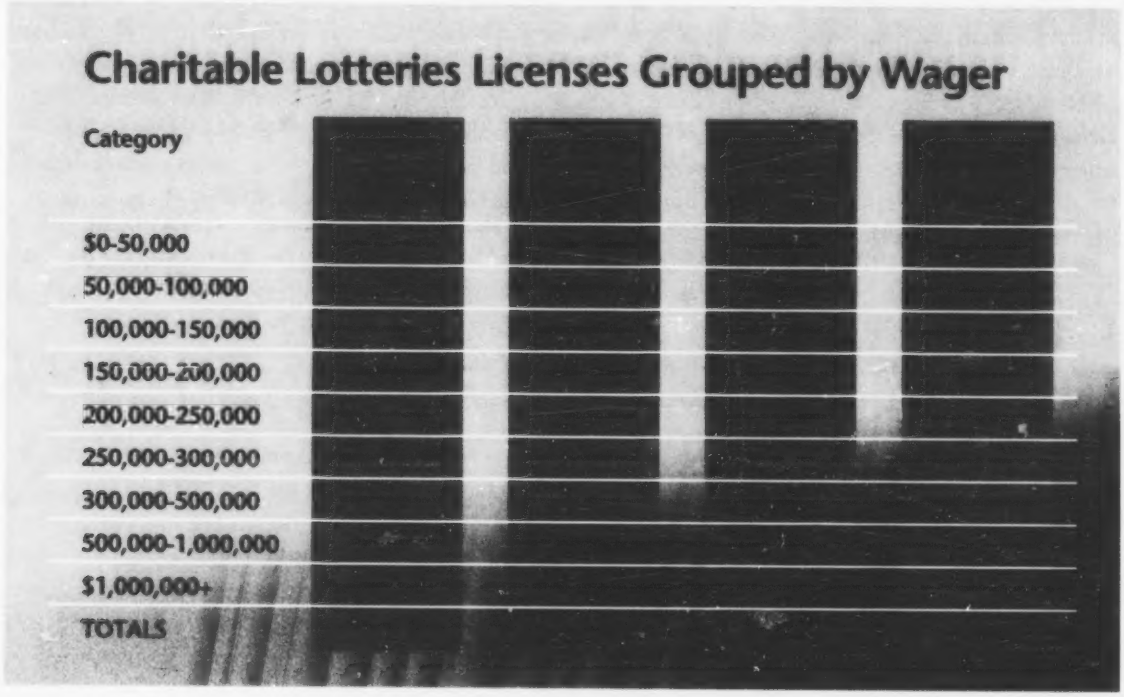
Among the various forms of charitable gaming in the Province, ticket lotteries remain the most efficient way to raise charitable funds. Of every dollar wagered in charitable lotteries in 1999/2000, the charities retained 41.2 cents for their projects and programs. This represents an increase from 38.5 cents in 1998/1999.

Charitable Lotteries Licenses Grouped by Wager



The Year In Review

Casinos

Casinos Nova Scotia

	Halifax	Sydney
Revenue (1999/2000)	$54.4 million	$26.9 million
Revenue to the Province (1999/2000)*	$ 22.1 million	$ 8.5 million
Floor Area	135,000 sq. ft.	16,000 sq. ft.
Employees	547	239
Visitors (1999/2000)	1,801,213	847,819
Slot Machines	650	350
Table Games	39	13

*Win Tax + Net Operating Income

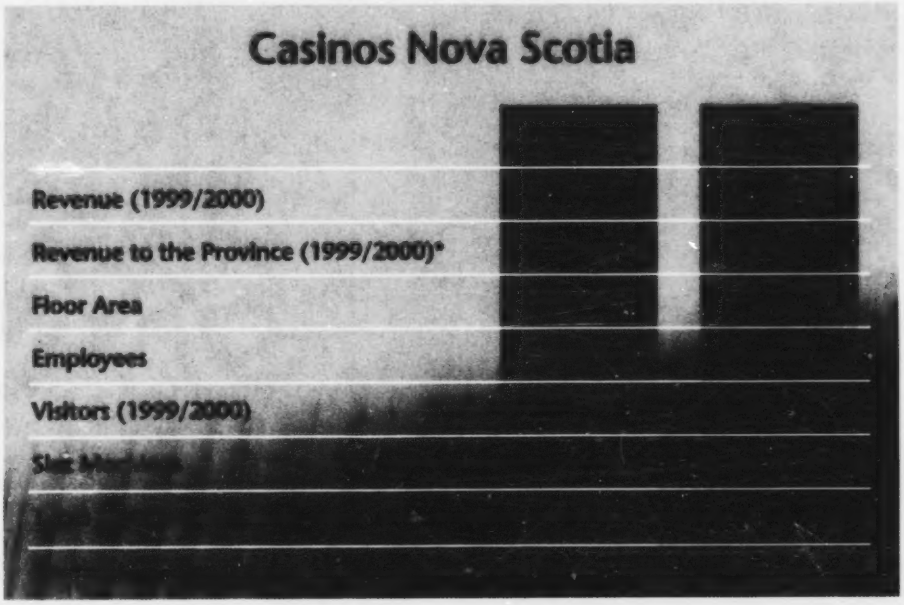
The Year In Review

The 1999/2000 fiscal year witnessed many changes and significant events for the gaming industry in Nova Scotia. Some significant events included: completion of the permanent Halifax casino, as well as arbitration concerning its construction; arbitration concerning payment of the HST by the casino; a change in the operating partnership for Nova Scotia casinos; the introduction of new casino dice games; the first full year of the *Video Lottery Terminals Moratorium Act*; implementation of the VLT Retailer Responsible Gaming Program; an agreement to amend the profit distribution formula between the Province and the Atlantic Lottery Corporation; and the transfer of the Nova Scotia Gaming Foundation from the Nova Scotia Gaming Corporation (Gaming Corporation) to the Department of Health.

Casinos

In December 1999, Park Place Entertainment finalized its acquisition of all casino holdings from Starwood Hotels and Resorts, including the Halifax and Sydney casinos. Park Place Entertainment is the world's largest gaming company and manages or has an interest in 29 gaming properties operating under the Bally's, Caesars, Flamingo, Grand and Hilton corporate names. Regardless of the ownership change, the Metropolitan Entertainment Group (MEG), now a partnership between Park Place Entertainment Scotia Limited and East Port Properties Limited, remains contractually obliged to develop, finance, construct and operate casinos in Halifax and Sydney. Accompanying the change in management, the casinos were renamed Halifax Casino Nova Scotia and Sydney Casino Nova Scotia, respectively.

An eventful year for casino operations culminated with the opening of the permanent Halifax casino in April 2000 - a 135,000 square foot, $98 million (approximate) facility, with over 650 slot machines, and 39 gaming tables. In addition to the gaming floor, the permanent casino houses 10,000 square feet of meeting space, a 170-seat entertainment lounge, and a 100 seat outdoor amphitheatre. The Halifax Casino employs nearly 550 work-



ers, and purchases a large quantity of supplies and materials from local businesses. With the opening of the casino came the introduction of some new games of chance, including Sic Bo and Craps.

In the months preceding the casino opening, the government, through the Gaming Corporation, disputed with the casino operator over two issues: eligible HST expenses, and construction penalties. In the former, an arbitrator ruled in favour of the Gaming Corporation and required the casino operator to pay $21.6 million to the Gaming Corporation. In the latter, an arbitrator ruled in favour of the casino and disallowed the Gaming Corporation's claim for a $10,000 a day late completion penalty that would have amounted to anticipated damages of $1.97 million.

Casino operations in the province continue to face strict compliance enforcement. In the past year, Halifax Casino Nova Scotia received penalties from the Alcohol and Gaming Authority for infractions such as underage gambling and the use of non-registered suppliers.

Video Lottery Terminals

The 1999/2000 fiscal year marked the first full year since the proclamation of the *Video Lottery Terminals Moratorium Act*. This legislation established a cap for the number of VLTs permitted to operate in the province (the cap is set at 3,234 and does not include VLTs operated under agreements with First Nations), and called for a study of the socioeconomic impacts of VLTs. Porter Dillon Limited completed the study and presented a final report in April 1999, entitled *Socioeconomic Impact of Video Lottery Terminals*. This report was commented on extensively by the Alcohol and Gaming Authority in its 1998/1999 Annual Gaming Report.

During the past year, the Gaming Corporation withdrew its request for proposals for the modernization of VLTs in this province. In October 1999, the Gaming Corporation unveiled its VLT Retailer Responsible Gaming Program, which was developed in collaboration with the Tourism Industry of Nova Scotia and the Nova Scotia Department of Health. The program, designed for VLT retailers and staff, covers such topics as the causes and signs of problem gambling, available resources and treatment agencies, and business strategies to promote responsible gaming.

The Gaming Corporation also transferred responsibility for administering the Nova Scotia Gaming Foundation in December 1999 to the Department of Health, in order to benefit from the Department's experience in addressing problem gambling. The shift was intended to take advantage of the Department's expertise for funding allocation to projects relating to prevention, research, education and treatment of problem gambling. The Nova Scotia Gaming Foundation is funded by VLT siteholder contributions in the amount of one percent of their commissions, and matched with an equal contribution from the Gaming Corporation. As of October 15, 2000, the fund had a balance of nearly $3.5 million.

Bingo

During the past year, Authority licensing staff continued their consultations with charitable bingo operators in an effort to increase profits for charitable purposes. Authority staff compiled a list of "best practises," which are used as guiding principles in assisting bingo operations to achieve higher profitability levels. The Authority maintains a responsive role to the needs of the bingo industry, and endeavours to build upon the experience of the many successful charitable pursuits in this Province.

In keeping with the Government's pledge to cut red tape and promote economic prosperity, the Authority has reviewed the *Bingo Regulations* with an eye for positive changes. The Authority is currently examining ways to reduce administrative requirements of bingo operators.

Ticket Lotteries

Ticket lotteries continue to be an important avenue for charitable fundraising in the Province. In 1999/2000, charitable ticket lotteries produced $4.9 million in revenue for charitable causes, and offered prizes ranging from houses, cash, and vehicles, to quilts and gift baskets. Despite the growing portion of wager spent on ticket lotteries with more than $250,000 in gross receipts, the majority is wagered on those with receipts of less than $100,000.

The Atlantic Lottery Corporation (ALC) experienced a profitable but turbulent year in 1999/2000. In March 1999 the Nova Scotia government announced that it would withdraw from the ALC due in part to an inequitable profit distribution formula. By January 2000, however, Nova Scotia had signed an agreement in principle to retain ALC as the agent for the Gaming Corporation with regards to ticket lotteries and video lottery terminal operations. The new agreement, ratified in August 2000, provided Nova Scotia with an additional $4.2 million from ALC profits in 1999/2000, as well as other policy and financial considerations.

Nova Scotia was at the centre of the lottery scene in September of 1999, when delegates from provincial and state lotteries across North America gathered in Halifax for their annual conference. The Atlantic Lottery Corporation hosted the North American Association of State and Provincial Lotteries (NASPL), which attracted over 1,000 delegates to the World Trade and Convention Centre and Halifax Metro Centre for seminars and product displays.

Issues Affecting The Industry

Youth Gambling

The pervasiveness of gambling in today's society has led to increased concerns over the impact that this activity may have on youth. Presently, youth are exposed to gambling in a multitude of ways, from receipt of a lottery ticket as a Christmas stocking stuffer, to permitted participation at bingos and raffles for school fund-raising initiatives. No media is exempt from gambling related advertising, and temptations of winnings are broadcast for all to see. Despite age restrictions on certain gambling activities, there remain many opportunities for youth to participate.

Research figures have shown that four to eight percent of adolescents in Canada and the United States have a gambling problem[1]. In Nova Scotia, a 1993 study[2] indicated that three percent of adolescents displayed signs of problem gambling, while another nine percent were at risk for developing gambling problems. More recently, a 1999 Manitoba study[3] classified three percent of youths with gambling problems, and eight percent at risk for future problems.

The enticement for youth to gamble tends to be the excitement and enjoyment derived from the activity, as opposed to the monetary reward that many adult players seek. Regardless of motive, gambling is often perceived by youths as an innocuous behaviour with few harmful or negative consequences. To the contrary, problematic gambling among adolescents has resulted in increased delinquency and crime, disrupted personal relationships, and impaired academic performance[4]. The exacerbation of youth gambling can lead to serious social, economic, judicial, and health consequences.

Despite differing treatment of the issue amongst various jurisdictions, there appears to be widespread support for the need to protect youth from potential harm. Generally, age restrictions are imposed on gambling activities so that participants can comprehend consequences of this risk-taking behaviour. However, in some jurisdictions age restrictions may vary by type of activity. For example, Alberta recently revised bingo policies to allow some small community bingos to request an exemption for their event to allow minors, accompanied by an adult, to play bingo for cash or merchandise prizes. Conversely, Quebec passed legislation (Bill 84) in early 2000 to prohibit the sale of lottery tickets to minors.

Within Nova Scotia, there is a disparate treatment of youth in various gaming venues. Youth gambling at casinos or on VLTs is restricted by law, while lottery ticket sales are restricted by business policy, and bingo is controlled by house rules. It can be argued that the treatment of youth should be uniform among all gaming activities. This issue continues to be explored through a review of legislative and regulatory requirements, consultations with key stakeholders, and discussions with other jurisdictions.

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1 Shaffer, H.J., and Hall, M.N., (1996). Estimating the prevalence of adolescent gambling disorders: a quantitative synthesis and guide toward standard gambling nomenclature. Journal of Gambling Studies, Vol. 12, pp. 193-214.

2 Omnifacts Research Limited (1993). An Examination of the Prevalence of Gambling in Nova Scotia.

3 Addictions Foundation of Manitoba (1999). Manitoba Youth Gambling Prevalence Study.

4 Ladoucer, R., Dube, D., & Bujold, A. (1994). Prevalence of pathological gamblers and related problems among college students in the Quebec metropolitan area. Canadian Journal of Psychiatry, 39, 289-293.

Nova Scotia has been responsive to the issue of youth gambling by implementing applicable education, treatment, and prevention strategies. The Department of Health has developed a classroom resource for junior and senior high school students that provides lessons on the social and psychological influences and consequences of gambling. Nova Scotia's Gambling Help Line is equipped to handle calls from youths, and appropriate treatment services are available. Gaming operator staff are trained to restrict access to gaming premises, while Alcohol and Gaming Authority staff ensure that regulations governing age restrictions are followed.

Video Lottery Terminals

Video lottery terminals perhaps offer the most controversial form of gambling in Canada, as well as in many other jurisdictions. In Nova Scotia, it is estimated that nearly one percent of adults are considered to have a problem with VLT play[5]. On the other hand, these machines are accepted as a source of entertainment for many participating players. A question arises as to how to balance the entertainment value of the game while mitigating any potential harm.

Government has responded to public debate over VLTs by restricting access to the machines, and capping the number of machines in this province. Since 1993, VLTs have only been permitted to be installed in liquor licensed, age-restricted establishments. In 1998, the Government passed the *Video Lottery Terminals Moratorium Act*, which had the effect of limiting the number of VLTs in Nova Scotia to 3,234 (excluding those located on First Nations lands).

VLT revenues in Nova Scotia continue to grow despite the element of public opposition. Research in 1999[6] showed that 66 percent of Nova Scotians disapproved of VLTs, which is higher than for any other gaming activity. On the other hand, 54 percent of Nova Scotians thought of gaming as a good way for government to generate revenue. However, 55 percent of adults agreed they would prefer to see VLTs reduced in number or removed altogether, even if it meant increases in personal taxes.

In further attempts to curb the potential negative impacts of VLT play, various programs have been introduced to assist problem gamblers. The Province has long provided a Problem Gambling Help Line, and offered information and treatment services through the Department of Health. Similarly, the Authority's "Gambling Addiction Help Directory" is intended to provide a comprehensive listing of resources for those affected by gambling problems. As was previously noted in this report, the Nova Scotia Gaming Corporation's VLT Retailer Responsible Gaming Program provides VLT retailers with information and resources in order to assist problem players.

Advertising Standards

As with some forms of marketing, Nova Scotians are concerned with the advertising of gaming activities. These concerns relate to appropriate targets and suitable messages for advertising. In a research survey conducted in 1999[7], 48 percent of Nova Scotians polled felt that there was too much advertising and promotion for gambling in this

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[5] Focal Research Consultants Limited (1998). 1997/1998 Nova Scotia Video Lottery Players Survey.

[6] Focal Research Consultants Limited (1999). A Survey of the Prevalence and Perceptions of Gaming in Nova Scotia, 1999.

[7] Focal Research Consultants Limited (1999). A Survey of the Prevalence and Perceptions of Gaming in Nova Scotia, 1999.

province. Concerns centred around inappropriate targeting, and the prevalence of problem gambling (e.g., 61 percent of respondents stated that gambling advertising encourages youth to gamble).

To ensure that gambling advertising reaches its intended audience, it has been suggested that standards be developed for the control of advertising and marketing of government-operated gaming activities. Nova Scotians appear to support this move, in that 76 percent of surveyed adults agreed that there should be restrictions on gambling advertising similar to those imposed on tobacco and alcohol. Particular advertising requirements could include: prohibiting the targeting of youth; inclusion of minimum standards for the publication of information on problem gambling; disclosure of the odds of winning; and guidelines on the content, placement, and timing of advertisements.

Nova Scotia, several years ago, demonstrated its concern over gambling advertising and has enacted several regulations which prohibit targeting advertising to youth; advertising which promotes a successful lifestyle; and that implies personal success. A two year, $5 million study of gambling in the United States, conducted by the National Gambling Impact Study Commission, issued several recommendations to address concerns such as advertising and marketing schemes directed towards youth. The Province of Ontario has prepared gaming regulations to ensure that casino advertising does not: imply that casino games promote personal success, contain endorsements by well-known personalities, target youths to play games of chance, and compare casino games to other forms of gaming. The North American Association of State and Provincial Lotteries has developed a voluntary code of conduct on advertising standards for its members.

In Nova Scotia, bingo and VLT advertising is regulated by government legislation, while marketing of other forms of gaming is subject to the general terms and complaint mechanisms of Advertising Standards Canada. This agency does not provide specific standards for gaming advertising apart from the Canadian Code of Advertising Standards, which covers all forms of advertising. Without such standards, gaming advertising may be adversely affecting certain segments of the population.

Internet Gaming

The newest venue for gambling is the home computer through the Internet. There are now hundreds of gambling web-sites, originating from dozens of countries world-wide. It has been estimated that the value of Internet gambling wagers approached $1.2 billion in 1999, and is expected to reach $3.0 billion by 2002[8]. This increasingly pervasive gaming activity is made available with disregard to political borders, laws and regulations, social and cultural values, or economic ramifications.

Less than one percent of adult Nova Scotians participated in Internet gambling in 1999; similar to the 0.5 percent rate obtained in a survey of Canadians by the Canada West Foundation[9] (an independent, non-partisan, public policy research institute). The Canada West survey noted that the primary deterrent to on-line gambling was the lack of Internet access (42%), or a lack of interest (37%). Consequently, it may be likely that the participation in on-line gambling may grow correspondingly to the growth rate of Internet usage, including the willingness to make on-line financial transactions.

The Canada West survey revealed that not one respondent considered the illegality of Internet gambling to be a primary barrier to play, suggesting a tacit acceptance of this gaming activity. Given the nature of the World Wide Web, it is problematic to enforce the legalities of on-line gambling or the operation of an Internet gambling site within the borders of a single jurisdiction. Partly due to this factor, some national jurisdictions have taken mixed

[8] The River City Group (1999). Wagering on the Internet.

[9] Canada West Foundation (2000). Canadian Gambling Behaviour and Attitudes: Summary Report

strategies for dealing with Internet gambling, with more than 50 sanctioning the activity in some form. On the other hand, some countries have taken steps to outlaw and clamp down on Internet gambling. By way of example, prosecutions and convictions in the United States have already demonstrated intolerance for Internet gambling operations, while the passage of legislation related to the prohibition of Internet gambling may soon become law.

Arguments against Internet gaming go beyond the fear of increased gambling rates and the incidence of harm. A host of concerns centre around consumer and public protection, including the inability to ensure: the integrity of the games or the operator; the fairness of the games; the security of financial transactions; the participation of underage players; the prevention of problem gambling; and the exclusion of certain criminal activities. Jurisdictions are equally concerned over economic consequences of Internet gambling originating outside their borders. Virtual gaming operators do not create jobs locally, pay local taxes, provide funds for problem gambling resources, and do not compete fairly with local gaming operators.

Problem Gambling

Studies in various jurisdictions across North America generally assess the prevalence of problem gambling as affecting between one and five percent of the adult population. In Nova Scotia, a 1996 survey[10] showed a combined rate of 3.9 percent of current problem and possible pathological gamblers among Nova Scotian adults. Similarly, a study[11] of VLT players in 1998 revealed that approximately one percent of adults in Nova Scotia were considered to have a problem with video lottery terminal play. More recently, but based on a different methodology, a survey in 1999[12] estimated that the problem gambling rate in Nova Scotia falls between 1.5 and 4.2 percent of the adult population.

Despite measures that indicate a problem gambling rate of less than five percent, a 1999 study[13] revealed that nearly half of the population erroneously thought that more than 20 percent of adults are considered problem gamblers. Another 28 percent of respondents estimated that the problem gambling rate is between 6 and 20 percent. These figures attest to the misconceptions that abound regarding problem gambling in Nova Scotia.

Regardless of confusion over the extent of problem gambling, the issue is of serious concern. Consequently, much is being done to ameliorate the potential harm emanating from gambling. Many public and private programs and services are now available across Nova Scotia relating to the education, prevention, treatment, and research of problem gambling. Both the Government and gaming operators are committed to funding these programs. For example, Casino Nova Scotia contributes $1 million annually to the Department of Health for problem gaming programs. Similarly, VLT operators contribute one percent of their commissions to the Nova Scotia Gaming Foundation, administered by the Department of Health, and these contributions are matched by the Nova Scotia Gaming Corporation.

A starting point for reducing problem gambling is through appropriate education programs designed to dispel misconceptions about gambling and identifying associated risks. The Department of Health, Gambling Services,

[10] Baseline Market Research Limited (1996). Final Report Prevalence Study on Problem Gambling in Nova Scotia.

[11] Focal Research Consultants Limited (1998). 1997/1998 Nova Scotia Video Lottery Players Survey.

[12] Focal Research Consultants Limited (1999). A Survey of the Prevalence and Perceptions of Gaming in Nova Scotia, 1999.

[13] Ibid.

has produced a series of brochures and publications, and an educational video entitled "Romancing the Odds". Likewise, Gambling Services has published a curriculum resource aimed at junior and high school students to help prevent problem gambling among young Nova Scotians. Furthermore, Gambling Services maintains an Internet web-site devoted to problem gambling resources, and publishes an on-line newsletter entitled "Gambling Awareness."

In terms of prevention, the Alcohol and Gaming Authority, the Nova Scotia Gaming Corporation and Casino Nova Scotia work together to administer a program of voluntary exclusion, whereby an individual voluntarily agrees not to attend casinos in Nova Scotia. As of March 31, 2000, there were approximately 600 individuals who had voluntarily excluded themselves from casino access. Similarly, the VLT Retailer Responsible Gaming Program was designed by the Department of Health, the Tourism Industry Association of Nova Scotia, and the Nova Scotia Gaming Corporation to educate VLT retailer staff on how to identify problem gamblers and refer them to appropriate resources. The Department of Health also funds an around-the-clock Problem Gambling Help Line that provides free, confidential, personal advice to those affected by gambling.

The Department of Health, through Drug Dependency Services, provide counselling treatment and educational resources to problem gamblers and their families. Gambler Anonymous and Gam-A-Non provide support and information to people with gambling problems, through regular meetings around the province. The Authority has compiled a listing of these treatment resources in its "Gambling Addiction Help Directory."

A wide array of research studies on the causes, effects, and consequences of problem gambling have been conducted in Nova Scotia. Examples of research include: a survey of the prevalence and perceptions of gaming, convenience gaming and social impacts, a video lottery players' survey, and an exploration of youth gambling. While the Authority is mandated to research the impacts of gambling, the Department of Health examines issues related to causal factors of problem gambling and effective education and treatment programs. Currently, the Department of Health, through Dalhousie University, is conducting a study of the negative effects that VLTs have on some players. The Nova Scotia Gaming Foundation makes provisions for continued funding of research projects related to problem gambling.

The Charitable Volunteer Community

Bingo

Charitable Bingo Activity

	Total Wager	Profits to Charity
Service and Veterans Clubs	$45.8	$7.2
Sports and Recreation	23.2	4.2
Religious Organizations	6.1	0.9
Volunteer Fire Departments	11.6	1.7

The Charitable Volunteer Community

The charitable volunteer community has been a significant benefactor to the gaming industry. Since 1995, approximately $100 million has been raised by charitable groups for their various community based projects.

Funds are raised through a broad range of events, including bingo, ticket lotteries, raffles, and video lottery operations. The charities involved come from a wide ranging spectrum including religious and church groups, volunteer fire departments and their auxiliaries, service and veterans' clubs, hospitals, amateur sports groups, schools, and various seniors clubs, to name but a few.

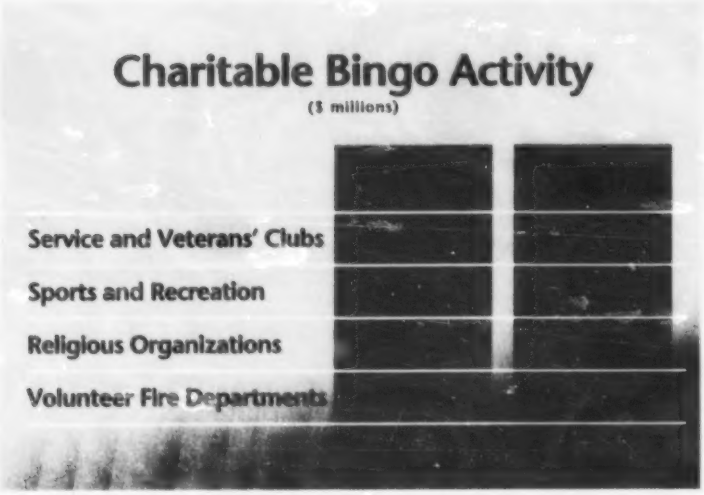
The licensing of these charitable games of chance and lotteries provides the assurance of honesty and integrity of the games to the public, the organizers of the project, and the charity which is the end recipient of the funds which are raised.

Bingo

In 1999/2000, the Alcohol and Gaming Authority issued 498 series bingo licenses and 227 single bingo licenses to the charitable community. In addition to the licensing process, the Alcohol and Gaming Authority assists sponsoring charities in many ways to achieve their financial fundraising objectives.

Some of the issues addressed on an ongoing basis include:

- Prize board structure: a profitable level to maintain market share
- Operating Expenses: ensuring reasonableness
- Group purchasing: increase buying power
- Idea sharing: marketing, new techniques, customer base



Bingo continues to be the most widely attended attraction of the gaming industry. During the 1999/2000 reporting period, in excess of 2.7 million players participated in charitable licensed bingo in the Province, wagering a total of $86.7 million.

A brief review of bingo activity within the volunteer community illustrates the dollar raising capability of a bingo lottery.

Charitable Ticket Lotteries

During the 1999/2000 reporting period, the Alcohol and Gaming Authority issued 5,689 ticket lottery licenses and permits. The total recorded wager of these ticket lotteries was $11.9 million, producing $4.9 million in revenue to the charities.

During the 1999/2000 reporting period, 41.2 cents of each dollar wagered in charitable lotteries was available to the sponsoring charity at the conclusion of the activity. This represents an increase of 2.7 cents per dollar wagered from the previous year's rate of 38.5 cents per dollar.

Charitable Gaming and the Community

Nova Scotians benefit, both directly and indirectly, from charitable gaming events. The tireless efforts put forth by the volunteer community in making these events successful are a 'special' tribute to a segment of the population who care and show a concern in many instances for worthy charitable causes. Benefits derived from charitable gaming assist many communities and service organizations to carry out their numerous charitable projects.

The Alcohol and Gaming Authority recognizes the tremendous contributions of Nova Scotia's volunteer community, and continues to make every co-operative effort to ensure the success of each charitable event. In doing this, the Alcohol and Gaming Authority strives to maintain the honesty and integrity of the gaming conducted, for the benefit of all Nova Scotians.

Canadian Jurisdictiona

Agencies Involved

Newfoundland	**Department of Government Services and Lands, Trades Practices and Licensing Division**; Atlantic Lottery Corporation
Prince Edward Island	**PEI Lotteries Commission**; **Office of the Attorney General for Charitable Gaming**; Atlantic Lottery Corporation
Nova Scotia	**Nova Scotia Alcohol and Gaming Authority**; Nova Scotia Gaming Corporation; Atlantic Lottery Corporation
New Brunswick	**New Brunswick Department of Public Safety**; Lotteries Commission of New Brunswick; Atlantic Lottery Corporation; NB Coin Machine Operators Association
Quebec	**Régie des alcools, des courses et des jeux**; Société des loteries du Québec
Ontario	**Alcohol and Gaming Commission of Ontario**; Ontario Lottery and Gaming Corporation Ontario Racing Commission
Manitoba	**Manitoba Gaming Control Commission**; Manitoba Lotteries Corporation
Saskatchewan	**Saskatchewan Liquor and Gaming Authority**; Saskatchewan Gaming Commission
Alberta	**Ministry of Gaming**; **Alberta Gaming and Liquor Commission**; Department of Gaming; Alberta Gaming Research Council; Community Lottery Program Secretariat, Alberta Racing Corporation
British Columbia	**Ministry of Gaming**; Gaming Policy Secretariat; Gaming Control Authority; Gaming Audit and Investigation Office; BC Lottery and Casino Corporation; BC Charitable Gaming Commission; BC Racing Commission
Northwest Territories	**Consumer Services, Community Operations**
Yukon	**Consumer Services, Department of Justice**

Notes: **Regulatory agency in bold print.** * One seasonal charitable casino in Dawson City.

l Gaming Profile 1999/2000

Lotteries (Government)	Charitable Lotteries	Charitable Bingos	Commercial Bingos	Charitable Casinos	Casinos	VLTs	Horse Racing	Horse Racing Slots/VLTs	First Nations Gaming Agreements
✔	✔					✔	✔		
✔	✔					✔	✔		
✔	✔	✔			Halifax Sydney	✔	✔		✔
✔	✔					✔	✔		✔
✔	✔				Montreal Hull Charlevoix	✔	✔		✔
✔	✔			4	Windsor Rama Niagara		✔	✔	✔
✔	✔				Winnipeg (2)	✔	✔	✔	✔
✔	✔			2	Regina	✔	✔	✔	✔
✔	✔			16		✔	✔	✔	✔
✔	✔			16	New Westminster Pavilion				
✔	✔								
✔	✔			1*					